



BlackBerry (TSX:BB) Soars Past \$30: Should You Buy Right Now?

Description

What an incredible [pop](#) for **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock. Shares surged above and beyond the price targets of all the sell-side analysts on the Street. I previously noted that BB stock was ripe for picking following the late-December sell-off, but after the recent run, the stakes have undoubtedly been raised.

Shorts feeling the squeeze of Reddit's WallStreetBets

Now, I have no idea how much more room BlackBerry stock has to run, how painful a reversal would be, or when such a reversal will happen. All I know is that it would be a huge mistake to underestimate the firepower behind Reddit channel "WallStreetBets."

Given the shorts being squeezed out of names such as **GameStop**, it's become a dangerous proposition to bet against any stock that the crowd at WallStreetBets have set their crosshairs on, especially the names with high levels of short interest. Heck, given the 300% single-day surge in **AMC Entertainment** stock, an argument could be made that the art of short-selling is dead.

At the same time, I think euphoric investors looking to put fresh money into a name like BlackBerry after its nearly 300% multi-week pop should be mindful of the potential downsides. While I still view BlackBerry stock as cheap on a relative basis at under 15 times sales, I'm not so sure if this parabolic run is the big upside re-valuation that many deep-value investors have been waiting for. It could reverse without a moment's notice, or it could continue building momentum upon itself like a snowball rolling down a freshly powdered hill.

Should you buy BlackBerry stock at above \$30?

Personally, I think there are better risk/reward opportunities on the **TSX Index** today. But with the increased appetite for quick gains, count me as unsurprised if BlackBerry stock continues roaring higher, as the rotation into previously battered deep-value bets and heavily-shortened names continues.

While I'm no longer the same raging bull on BlackBerry as I was several weeks ago, I'm also not ready to call a reversal in the stock, nor do I have a price target in mind.

Wild swings ahead!

In many of my prior pieces, I've referred to BlackBerry stock as a highly misunderstood firm that was difficult to evaluate, noting that acquisitions and other moving parts made the valuation process that much harder to pinpoint a precise intrinsic value range. The recent action in the name just makes things harder for deep-value hunters. Is the stock still a reasonable value after the pop?

Possibly, if you compare BlackBerry, a company that's turning the ship around, to the likes of GameStop.

Fellow Fool contributor Chris MacDonald certainly seems to think that BlackBerry is a [must-buy](#) bargain for your TFSA. He thinks shares are headed much higher, even after the big pop. BB stock is now hogging the media spotlight, so don't be surprised if BB stock continues flying higher. That said, I'd only advise stashing such a white-hot stock in your TFSA if you're willing to accumulate more shares should a vicious decline be in the cards over the near term.

BlackBerry stock: Going long is pretty risky; going short is beyond reckless

If you're keen on getting into BlackBerry and have a strong stomach, please consider initiating a partial position with the intention of scaling into a full position over time. If you're up big in the name already, you may wish to consider taking your principal off the table as you look to let the rest run. And if you're thinking about betting against BlackBerry after its unprecedented pop, please don't do it!

Betting against such a name can be far more dangerous than buying shares at these heights. The risks of being squeezed out of your position are high, and there's no telling the magnitude of losses you could incur by stepping in front of the freight train that is BlackBerry stock.

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