



## The Reddit Effect: How High Can BlackBerry Stock Soar?

### Description

Andrew Left, the famed short-seller who founded Citron Research, [took on the stock price](#) of **Shopify** several years ago. In this instance, Left was forced to fold, as Shopify shares continued to go through the roof. Short-sellers who have dumped on **GameStop**, **AMC Entertainment Holdings**, and even **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), have now found themselves on the receiving end of a retail investor rampage. At the centre of this story is a Reddit board now infamous for its bold and populist trading tactics.

Can r/wallstreetbets continue to put stocks like GameStop, AMC, and BlackBerry into the stratosphere? Let's discuss.

### How Reddit users have shaken up short-sellers and Wall St.

GameStop, a top video game retailer, has attracted short-sellers in recent years. Like other brick-and-mortar retailers, conventional wisdom suggested that its days were numbered. This intensified during the COVID-19 pandemic. WallStreetBets bet that they could spur a market rally by fueling demand, pitting themselves against short-sellers like Left.

When the year started, GameStop was trading below the US\$20 mark. It had climbed to nearly \$300 at the time of this writing. BlackBerry has also benefited from this flood of retail investors. There are roughly 2.2 million members of the WallStreetBets community. It is impossible to determine the extent of this retail investor push. Members are hoping they can capitalize off a short squeeze. However, some prominent hedge funds have already reportedly backed off from their position.

### Will BlackBerry stock be the next big beneficiary of this bump?

This week, I'd discussed why investors [should get in on](#) the BlackBerry boom. No, I'm not a Redditor. I'm bullish on the Waterloo-based technology company for the long term. CEO John Chen has powered a push into exciting markets that include automated vehicles and endpoint security. Its recent collaboration with **Amazon** holds huge promise for its footprint in automobile software development.

On January 26, **Royal Bank** downgraded BlackBerry stock in the face of this Reddit-powered rally. In the note, analyst Paul Treiber said that the fundamentals did not support the recent uptick. He stated that only a massive patent sale or a bolstering of its QNX division would justify the rally. Still, it is hard not to be intrigued by this battle between short-sellers and retail investors.

## Should you stack BlackBerry stock today?

WallStreetBets has attracted the attention of some of the biggest players in the investing world. There have been calls for punitive action against what critics claim is a pump-and-dump scheme disguised as a populist investor revolt. Those who added BlackBerry over the last two months may want to take their profits as this battle rages on. This incident could inspire new regulations that may curb the influence of communities like WallStreetBets. Whatever happens, Foolish investors should be watching this fascinating episode in trading history.

Here at the Fool, we advocate taking a long-term approach. That means adding stocks that boast strong fundamentals, which will reward shareholders over the long term. BlackBerry has gone from a potential value pick to overvalued in a very short time. Practical investors may choose to reinvest their quick gains into equities with stronger fundamentals. Others may want to enjoy the ride.

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