



Why the “WallStreetBets” Mania Might Not Be Over for BlackBerry

Description

Since reaching a high of \$36 on Wednesday, shares of **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) have fallen back to earth. Questions now remain about the strength of the “WallStreetBets” (WSB) Reddit group’s support for this Canadian technology name.

Today, shares of BlackBerry have traded down since the open. At the time of writing, BlackBerry shares are down more than 5%.

Here’s why I think the mania might not be over quite yet for BlackBerry.

Stock trading restrictions getting a lot of negative press right now

With various brokerages announcing restrictions on the purchase of highly volatile stocks such as BlackBerry, **Gamestop**, and **AMC**, this stock fell alongside the other WSB stocks on Wednesday. However, BlackBerry did not recover as its U.S.-listed peers did. BlackBerry is dual-listed in the U.S. but seems to be getting less love from this group of “degenerates” (as they affectionately refer to themselves).

This is a stock that dropped precipitously last week on this news. The trading restrictions we’ve seen have generated a lot of press and a lot of political attention. I think there’s a ton of populous momentum behind the WSB movement. In short, the “Occupy Wall Street” movement seems to now have a vehicle for revenge. With Democrats now running the House and Senate in the U.S., I think there’s a lot of room for this movement to continue to run hot. Indeed, I don’t think it’s coincidence these stocks all took off right around the time the Democrats took the Senate.

This is a key catalyst I think could keep these “mob-fueled” rallies alive.

The growth thesis makes this a stock worth owning, without the WSB mania

As I've mentioned previously, [the deal BlackBerry struck with Amazon](#) is one I view as transformational in nature. With these two technology players teaming up to take on the connected car market, BlackBerry's growth thesis has gained new momentum.

BlackBerry was in dire need of a growth catalyst. Since transitioning its business away from hardware to a software-only business model, BlackBerry has struggled to find traction with its products. I think this validation of BlackBerry's product is extremely important. Accordingly, growth-oriented investors would do well to consider this stock on its growth thesis alone, ignoring the noise around the WSB crowd.

Bottom line

I think there's significant reason to believe the mania around stocks like BlackBerry could continue for some time. BlackBerry is one of the few WSB targets that have excellent long-term growth prospects in addition to high levels of short interest. For those so inclined, this stock is trading at a significant discount to its Wednesday highs last week. This could be an interesting buying opportunity, particularly if there's speculative near-term upside for this stock.

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