



WallStreetBets: BlackBerry Stock's Run May Not Be Over Yet

Description

The WallStreetBets frenzy is the [story of the year](#) thus far.

The subreddit has drawn an absurd amount of interest in hard-hit ["value"](#) stocks, including the likes of **GameStop** and Canadian tech turnaround play **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)). While speculating on GameStop and BlackBerry stock could "end in tears," as billionaire investor Leon Cooperman noted in an interview conducted by *CNBC*, I still think it's unwise to shun shares of BlackBerry after its latest post-boom bust.

Why?

Unlike many of the other distressed companies on the radar of the venturesome folks at WallStreetBets, BlackBerry actually has a turnaround plan that I believe has a high probability of succeeding within the next five years. I can't say the same about GameStop, **AMC Entertainment**, or any other firms bought by WallStreetBets.

BlackBerry is a roller-coaster ride that could reward the most patient of investors

I've said it before, and I'll say it again: BlackBerry stock begs for investor patience. Following the latest +50% plunge in the stock, BlackBerry still reeks of longer-term opportunity and is worthy of picking if you're willing to hold for the next five, 10, or even 20 years. Should the pendulum swing in the other direction again and BB stock boom, I'd look to take some profits off the table rather than seeking to double down.

With such wildly volatile names that actually have promising and exciting fundamentals backing them, it's a good idea to take advantage of excessive amounts of volatility by buying busts and selling booms, as you look to scale into a truly long-term position over time.

I think BlackBerry stock deserves a sustained re-valuation to the upside. But in the meantime, I

suspect shares will continue to swing between severely overvalued and severely undervalued over the near to medium term. Stock prices, like a pendulum, tend to swing back and forth to extremes. While I'm not confident enough to predict whether BlackBerry stock has overswung to the oversold side over the near term, I think it makes sense to nibble your way into a starter position on this latest dip if you're willing to buy more on further weakness.

Don't trade! Invest for the long run

We're all about sound long-term investing here at the Motley Fool Canada. I wouldn't recommend "playing" BlackBerry stock or any other name that's been bid-up by the courageous people at WallStreetBets who've been gambling of late. By buying shares of BlackBerry after a significant upside move, you stand to be left holding the bag.

While I have no idea if WallStreetBets is done with BlackBerry, I think those keen on the name should feel comfortable buying a starter position here. If the stock gets the attention of WallStreetBets again and shares surge above \$30, I'd look to take profits and get ready to buy the next dip. That's not to say we'll be in for another WallStreetBets-driven \$30 pop, but I do think investors ought only to stay invested if a stock lies within or below their estimate of its intrinsic value.

Foolish takeaway on BlackBerry stock and investing alongside the folks at WallStreetBets

With such an inefficiently priced stock like BlackBerry, one must draw the line between investment and speculation. Letting a stock run above and beyond one's intrinsic value estimate can turn a sound investment into more of a speculative bet.

Whether or not the WallStreetBets action returns to BlackBerry stock remains to be seen. Regardless, I am a fan of the valuation at under \$15 and would encourage further buying should the negative momentum in the name continue. Just be ready to trim if the stock skyrockets again and add if it plunges below your estimate of BB stock's intrinsic value.

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