



Is the Reddit WallStreetBets Trade Over for BlackBerry?

Description

One of the most discussed stocks on the TSX right now is **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)). BlackBerry's parabolic move in recent weeks has driven a tremendous amount of interest. This company is one with a tremendous amount of retail support right now. Indeed, BlackBerry is one of the most discussed stocks on the Reddit "WallStreetBets" forum.

BlackBerry is a stock which has had a high level of short interest in recent years. Accordingly, investors focused on squeezing short-sellers have targeted BlackBerry. BlackBerry also has some tremendous long-term catalysts investors think could take this company higher. This mix has produced a "perfect storm" of sorts for this stock in recent weeks.

However, as many investors may have noticed, BlackBerry shares have dropped precipitously since its peak of \$36 on Jan. 27. Many are now asking: Is this trade over?

Good news has underpinned this rise

Fellow Fool contributor Joey Frenette thinks the [trade might not be over](#) for BlackBerry. He wrote: "BlackBerry stock, while a less-shorter stock than other names on WSB's radar, I believe, is the riskiest short of all WSB stocks following the stock's recent implosion. Why? BlackBerry has enjoyed a slew of good news of late. And such good news items, I believe, actually improves upon the firm's fundamentals."

I have to agree. BlackBerry's recent deal with **Amazon** has provided a solid growth thesis for this former TSX tech superstar. This news isn't minor for BlackBerry shareholders. Investors have been waiting for such a catalyst to materialize for some time. Growth expectations are starting to improve around BlackBerry's QNX and IVY platforms. Accordingly, I think a significant portion of this recent stock price spike is warranted.

Bottom line

BlackBerry stock isn't likely to experience a short squeeze similar to other Reddit targets. The level of short interest in BlackBerry simply doesn't cut it. Those hoping for another November-like spike are likely to be disappointed in the near term. In that sense, I think the Reddit trade is likely over.

That said, I don't think all the retail investor optimism around this stock is unwarranted. For longer-term investors, I think BlackBerry's investment thesis has improved substantially. BlackBerry's turnaround from a hardware company to a pure-play software business is complete. This is a company with the potential to start to provide the kind of software-like returns growth investors have clamored for in recent years.

I think there are plenty of great tech companies on the TSX right now. However, I think BlackBerry stock provides some serious speculative upside for long-term growth investors.

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9. tsx growth stocks
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