



Will WallStreetBets Push BlackBerry (TSX:BB) Stock to Moon?

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock is soaring. This year, shares are up nearly 100%. But the reasons for the rise are complicated.

On the surface, this stock is rising for good reason.

“If I had to pick any stock that could rise 10 times in value this year, it would be BlackBerry,” I [wrote](#) in early January. “If BlackBerry stock rose 1,000% in 2021, it would still trade at a healthy discount to its peer group. This isn’t even factoring in any organic growth, which could surprise analysts over the next 12 months as its end markets start to gain traction.”

Shares are rising for exactly those reasons, but there’s also a secret tailwind: the Reddit group WallStreetBets.

You should know WallStreetBets

You may have heard of WallStreetBets, the group behind the infamous **GameStop** stock surge. The group is now a global phenomenon.

“The group WallStreetBets is a longstanding subreddit channel where over 3.5 million Reddit users discuss highly speculative trading ideas and strategies,” [explained](#) CoinDesk, adding that “the community has caused huge disruption to financial markets.”

It really is that simple. Internet users aggregate online, share ideas, and funnel their combined power into investments. Sometimes those ideas are value-based; others rely on technical analysis or momentum trading. In any case, the group has proven a force to be reckoned with, nearly destroying several hedge funds in January alone.

BlackBerry is the group’s latest target.

BlackBerry stock went on steroids

WallStreetBets applied the same methodology to BlackBerry that it used to pump the stock of GameStop. Specifically, the group targeted companies with high short interest.

If highly shorted stocks rise in value, many of those short-sellers are forced to cover their position. That requires *buying* the shares back, sending the price even higher. The result is what analysts call a short squeeze.

“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,” explained Fool contributor Chris MacDonald.

But this isn’t just a momentum play. When I called the company my top idea for 2021, I was referencing the businesses strong underlying fundamentals. Shares have long-term catalysts that could keep the rise going for years to come.

Should you buy this stock now?

It’s never easy to time the market. Ray Dalio has likened it to playing poker with the best. What you *can* do, however, is place long-term bets on businesses that are likely to be worth significantly more in the future. What happens in the interim shouldn’t be much concern to you.

BlackBerry isn’t a phone company anymore. Today, sales are driven by its cybersecurity software portfolio, which protects next-gen devices like autonomous vehicles, IoT, and more. The world is getting more connected, and BlackBerry is securing those endpoints.

Compared to other cybersecurity stocks, like **CrowdStrike**, BlackBerry still trades at a 70% discount. And that’s *after* the recent surge.

In the wake of the WallStreetBets pump, BB shares could remain very volatile, but it’s still an ideal holding for patient investors playing the long game.

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Date

2025/07/20

Date Created

2021/02/20

Author

rvanzo

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