



## Here We Go Again: Why GameStop Stock Is Soaring Today

### Description

The top indexes in the United States were down broadly in mid-morning trading on February 25. However, a handful of “meme stocks” were on the run again. In late January, the investing world was swept up in the reddit-fueled **GameStop** ([NYSE:GME](#)) craze. Its shares fell precipitously in early February, punishing those that bought late into the frenzy. Shares of GameStop were up nearly 50% in mid-morning trading today. What is behind this latest surge?

### The top “meme stock” still has life

On Tuesday, *Bloomberg News* reported that GameStop’s chief financial officer Jim Bell was pushed out to make way for an executive with a vision more in line with Ryan Cohen. Cohen is an activist investor on the board and the co-founder of online pet-food retailer Chewy.com. His addition to the board sparked the big rush to GameStop stock.

The r/WallStreetBets board saw so much traffic that it went down after trading halted. GameStop was not the only “meme stock” to benefit from this social media-powered surge. We saw a handful of the same names putting together a solid mid-week spike. **AMC Entertainment**, which has suffered mightily in the cinema space during the pandemic, was up 10% in late-morning trading on February 25. Meanwhile, **BlackBerry** had failed to pick up any significant momentum.

### Is there any reason to consider GameStop as a long-term investment?

Earlier this month, I’d suggested that investors should [look elsewhere](#) in the promising video game space. GameStop has been an amusing roller-coaster ride, but investing on the whims of a social media mob is usually not a recipe for success. More importantly, GameStop is in a tough position as brick-and-mortar retail looks to decline even further in the years ahead. It will need to dramatically reshape its business model to have a chance in this new economy.

## Here are some stocks I like better than GameStop right now

I'd also [suggested](#) that investors may want to look at **Cineplex** ([TSX:CGX](#)). Canada's top cinema operator has also struggled mightily during the pandemic. Indeed, movie theatres have barely been able to operate commercially over the past year. Still, shares of Cineplex have climbed 60% in 2021 so far. There are high hopes for a rebound in this industry as the economy reopens.

Cineplex cinemas will reopen in Ottawa and Cornwall this week. Its shareholders can look forward to a further return to regular operations in the weeks and months ahead. A flurry of box office draws that have been delayed have the potential to thrust Cineplex back to normalcy. GameStop's business, however, does not have high hopes as currently constructed.

**Copper Mountain Mining** ([TSX:CMMC](#)) is a top base metals mining company in Canada. Copper and other commodities have erupted in late 2020 and early 2021. Shares of Copper Mountain Mining have climbed nearly 80% in the year-to-date period. The stock is up almost 500% from the prior year. Instead of betting on "meme stocks" like GameStop, investors can hop on the base metals bull run. This has a good shot to continue into the rest of 2021, as the global economy rebounds.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:GME (GameStop Corp.)
2. TSX:CGX (Cineplex Inc.)
3. TSX:CMMC (Copper Mountain Mining)

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