



Stop Speculating on GameStop (NYSE:GME): Buy These Undervalued TSX Stocks Instead

Description

It can be fun to check up on the WallStreetBets (WSB) crowd and their views on **GameStop** ([NYSE:GME](#)) stock, which has since started to pick up traction again. But betting alongside the retail army at WSB can be tremendously harmful to your wealth if you're caught holding the bag.

Hopes of quick [riches](#) and the contagious euphoria of YOLO (you only live once) bet posts on Reddit's popular WSB channel have never made it easier (or more fun) to follow the herd. Add thoughts of bringing the squeeze to big-league hedge funds into the equation, and it suddenly seems more justifiable to put a bit of money down on a couple of GME shares or even a few call options on GameStop stock.

GameStop stock surge round two?

Personally, I wouldn't recommend speculating on another run in GameStop stock. I think it's gambling, not [investing](#). But if that's your thing and you're aware of the downside risks, I can't stop you from getting in on the action. If you're not a seasoned trader and are still keen on joining in on the next GameStop bounce, though, I'd urge you not to have unrealistic expectations and to ring the register if you find you're up big over a very short timespan.

Sure, it's nice to have so-called "diamond hands" (WSB's term for strong-handed investors who hold in spite of excessive amounts of volatility) and to feel like a part of the group. But sooner or later, a stock that's gone to the moon is bound to come crashing down to earth again. As such, it's only wise to take profits as they come along. Like with gambling at a casino, you'll only really win if you leave the table while you're up.

Hungry for gains? Consider severely undervalued TSX stocks

Personally, I'd rather use the money to invest in shares that I know (or think) to be undervalued.

Have a look at **Fire & Flower Holdings** ([TSX:FAF](#)) and **Alimentation Couche-Tard** (TSX:ATD.B), two plays that I think deserve a huge correction to the upside. Such an upward correction could come to fruition over the next 18 months. Regardless, investors will need the patience (or diamond hands, if you will) to hold through volatility storms.

As GameStop stock booms and busts all over again, you'll be glad you invested, rather than speculated, once the news of more folks who've lost their shirts on the trade comes flowing in again.

Couche-Tard dips its toe into the cannabis waters with up-and-coming pot retailer Fire & Flower

Cannabis stocks are sexy. Even the WSB crowd would think so, as they piled into the hottest budding players in the marijuana market. The pot retailers haven't been nearly as sexy as the Licensed Producers (LPs), however. And I think that's an opportunity, not just for hungry investors, but also for established firms looking to give their growth profiles a big jolt. Canadian convenience store kingpin Couche-Tard has been stealthily dipping its toe in the budding pot retail market in recent years with Fire & Flower Holdings. And it's a move that'll probably pay major dividends down the road.

The Couche-Flower tie-up is a mutually beneficial relationship that could jolt sales across both Couche and Flower locations over the long haul. And once Canada (and perhaps the U.S. later on) gives the green light for c-stores to sell pot in their stores, Couche will have the infrastructure, expertise, and a head start to take over the pot retail world.

For now, both Fire & Flower and Couche are flying under the radar. Both stocks are buys here, as they look to execute on an opportunity that's severely discounted by investors and analysts. GameStop stock is sexy right now. Couche and Flower are not. Over the coming months and years, the tables could turn. So, if you're a strong-handed investor hungry for gains, go against the herd rather than following them.

CATEGORY

1. Cannabis Stocks
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TICKERS GLOBAL

1. NYSE:GME (GameStop Corp.)
2. TSX:FAF (Fire & Flower)

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