



## Gamestop (NYSE:GME): Why the Meme Rose Again

### Description

**GameStop** ([NYSE:GME](#)) stock is getting a second wind. After crashing in the first week of February, it began rallying again, going as high as \$184 at one point last week. Just when investors thought the meme stock fad was over, the internet's biggest financial meme came back to life. And, as you're about to see, it could continue having occasional rallies for a long time—even as the underlying company continues to decline. Here's why.

### Reddit is still obsessed with GME

Reddit—the forum site that got the GME craze started to begin with—remains obsessed with the stock to this day. If we look on Reddit's [WallStreetBets forum](#), we still see thread titles like these among the top 10:

- *GME Mega-thread for March 3 2021*
- *Someone sponsored an ad for GME on Youtube and I'm not disappointed*
- *UPDATE: \$GME in full Phineas mode*

That's just a small selection of the hundreds of GME topics you'll find on WallStreetBets. As you might know, WallStreetBets got the ball rolling on GME by mass-buying the stock in order to “squeeze” short sellers that were betting against it. Initially, WallStreetBets seemed like it was winning, forcing the short sellers to cover at losses. Later, though, many of the forum's members lost money when the stock price collapsed. Evidently, many of them are still buying and holding, as the stock has gone on a second rally with no other possible catalyst to explain it.

### A Canadian counterpart?

The GameStop saga has an interesting tie-in with Canadians stocks.

Specifically, with **BlackBerry Inc** ([TSX:BB](#))([NYSE:BB](#))

For a time, BB was the second most discussed stock on Reddit after GME itself. Along with **AMC** and **Nokia**, it got caught up with the meme stock mania and enjoyed a [very pronounced rally](#). At one point, it went as high as \$31.49. Later, however, it came crashing down. When the Reddit interest dried up, the momentum in BB faded fast. As of this writing, it traded for just \$13.

Interestingly enough, BlackBerry may be one of the better meme stocks to buy from a fundamentals standpoint. Unlike other meme stocks, the underlying company is actually growing—at least using adjusted metrics. It has also posted some good news recently, including a deal with **Amazon** and a legal settlement with **Facebook**. It's debatable whether these successes will lead the company to consistent profits.

It was not profitable in GAAP terms in its most recent quarter, and has rarely been profitable in recent years. However, it's at least having some product successes and inking new deals—something most of its meme stock peers can't say.

## Foolish takeaway

Just when it looked like the meme stock frenzy was over and done with, it came roaring back to life. Between GME's rally and BlackBerry's precipitous decline, there's been plenty to keep up with. Ultimately, meme stocks are very risky plays, perhaps best left to the professionals. But if one of them does have some kind of future as a business, it's probably BlackBerry.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:GME (GameStop Corp.)
3. TSX:BB (BlackBerry)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

### Category

1. Investing
2. Tech Stocks

### Date

2025/07/03

**Date Created**

2021/03/03

**Author**

andrewbutton

default watermark

default watermark