



## Gamestop (NYSE:GME) Stock: The Party Isn't Over Yet!

### Description

Spikes are common in stocks, but they are difficult to predict and account for, especially for long-term investors. These spikes can be game changing or deadly for traders, depending upon which side of the fence they are betting from. But few spikes can compare to the one **Gamestop** ([NYSE:GME](#)) showed last year.

It's not the magnitude of the spike that was its defining characteristic. Many stocks have grown way waster and way more than Gamestop did early this year. What sets it apart from others is that the rally was inspired by an unusual source — i.e., an internet community. Retail investors banded together and, through a coordinated effort, instigated a buying spree to counter Gamestop's short-selling.

And it looks like the rally hasn't entirely run out of steam yet.

### Gamestop spikes

The first Gamestop stock spike was in Jan 2021. [The stock](#) grew well over 1,900% in less than a month. But the rally ended quite soon, and in less than two weeks, the stock was down 84%. Everyone thought that was the end for this artificially propped-up stock price. But the price started climbing near the end of February. It grew almost 489% at its peak. The stock is down from that point, but it was still up over 360% from its lowest valuation last month.

This might make you wonder if the second spike was another coordinated effort or simply a fluke? And should you consider adding this U.S. stock to your investment portfolio? For long-term investors, playing trader and betting on market volatility might not be a very profitable experience, and if you *do* want to bet on this volatile stock, do it with money you can afford to lose.

### A steady growth bet

Spikes can be exciting, but if you want relatively more surety that you will see long-term growth, you might consider investing in [a steady grower](#) like **Toromont Industries** ([TSX:TIH](#)). The company has a

solid growth history in the last two decades. It has a 10-year CAGR of 19.4% and has been growing its dividends for 31 consecutive years. It currently offers a yield of 1.3%.

Two significant factors behind Toromont's steady growth are its rock-solid books and revenue history. Even in 2020, when the industrial sector went through a period of stagnation, Toromont's revenues didn't fall much, and they started improving in the subsequent months.

Its two different businesses (i.e., heavy industrial equipment and refrigeration) benefit from Toromont's core values and strengths.

## Foolish takeaway

The party for Gamestop might not be over yet, and such spikes might become the norm for the company, but they are likely to remain challenging to predict and leverage to your advantage. Steady growth stock like Toromont, however, come with a little more security. These stocks also don't lose investor confidence quite easily as well. Its dividends, despite the modest yield, are an important reason to consider adding this stock to your portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:GME (GameStop Corp.)
2. TSX:TIH (Toromont Industries Ltd.)

### PARTNER-FEEDS

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

### Category

1. Dividend Stocks
2. Investing

### Date

2025/07/21

### Date Created

2021/03/20

### Author

adamohtman

default watermark