



## Forget AMC (NYSE:AMC) Stock: Here's a Canadian Meme Stock

### Description

**AMC Entertainment Holdings** ([NYSE:AMC](#)) stock has been on an epic run this week. The share price is up 266% over the past two weeks and up 1,732% since the start of the year. That performance is better than most other meme stocks and is even better than most major cryptocurrencies.

Why invest in a bleeding-edge new digital technology when you can simply bet on a rebound in cinemas? However, investors aren't just betting on the revival of entertainment here. They're also deploying a coordinated [short-squeeze strategy](#) that has worked so well over the course of the pandemic.

If you're trying to understand why AMC stock is on such a tear and which stock could be next, here's a deep dive.

### AMC stock action

This surge in AMC stock is anything but organic. Last year, Reddit users on the WallStreetBets forum discovered that the stock was heavily shorted. This means hedge funds and institutional investors were betting against the stock. Reddit users could buy the stock to push it up and compel these big investors to close their trade by purchasing the stock and pushing the price even higher.

This sophisticated strategy is known as a *short squeeze*; it was traditionally deployed by professional investors. This year, retail investors have been able to pull this strategy off by coordinating attacks.

AMC stock has been their most successful target. Despite the squeeze over the past year, 21%, or roughly one in five shares of AMC are still being shorted. That means there's more room to run.

This week, the company raised US\$230.5 million (C\$277 million) from hedge fund Mudrick Capital. The money is being used to acquire new companies and pay down debt. It seems the short squeeze has been so successful that it's actually saving this company from bankruptcy.

## Canadian meme stock

Reddit users have crossed the border in the past. Last year they successfully targeted **BlackBerry** stock. Now, another Canadian company has significant short interest and a meme-worthy business model.

**Village Farms International** (TSX:VFF)([NASDAQ:VFF](#)) is the ideal target for a Reddit-driven short squeeze. The company's short interest is 21% at the moment, which is just as high as AMC stock. That means one in every five shares has been bet against by professional investors.

The fact that this is a cannabis company makes it even more exciting. Cannabis stocks have been a prime focus for retail investors ever since legalization in Canada. Now, in 2021, the U.S. government is moving to legalize the substance. That means that Village Farms, which has operations in the U.S., actually has a decent runway for growth.

Many analysts believe the [stock is undervalued](#). But the fact that it is also heavily shorted means it could be a potential target for a short squeeze or a worthy meme stock. A small, speculative position in this tiny Canadian company may not be such a bad idea.

## Bottom line

Meme stocks are usually interesting companies with heavy short interest. AMC stock has roughly 20% short interest, which is why Reddit users have been able to push it so high. Canada's most shorted company, Village Farms International, could be a similar target.

### CATEGORY

1. Investing

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1. NASDAQ:VFF (Village Farms International, Inc.)
2. NYSE:AMC (AMC Entertainment)

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