



## Should You Chase BlackBerry Stock as it Soars Past \$20?

### Description

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock added to its gains on Thursday, as the second coming of the meme stock pump went into full swing. Fellow meme stock and American movie theatre kingpin **AMC Entertainment** ([NYSE:AMC](#)) was ridiculously volatile on the day, plunging to US\$40 before surging to US\$67 and change before finishing the day in the US\$51 range — down just north of 20% on the session.

There's volatile and ridiculously volatile, and then there's AMC stock. Indeed, something's popping at AMC, and it's not just the free popcorn to be offered to retail investors. The company took advantage of Wednesday's unprecedented rally by filing to [sell another 11.55 million shares](#) while taking a step back to warn investors that they'd better be prepared to lose it all.

For the retail traders over at Reddit's WallStreetBets, such warnings are likely to fall on deaf ears.

Only time will tell if the diamond hands at WallStreetBets will keep AMC stock propped up. But if I had to place a wager, I'd bet the strong hands will weaken in a big way next week.

## Forget AMC: BlackBerry is my favourite WallStreetBets stock

Undoubtedly, many traders hungry for big gains are going after those short-dated put options, which could pay off once the WallStreetBets's retail crowd is outmuscled. Such options are pricy, though, and it may prove unwise to underestimate the firepower of the "degenerates" at WallStreetBets, even if they're on the ropes in this wild second round of "meme stonk" action.

AMC stock is running out of steam, and some folks on Reddit have their sights set on Canada's own meme stock, BlackBerry: a name that I've been pounding the table on in recent weeks, noting the possibility of a second WallStreetBets-driven bounce and the likelihood that investors were discounting the firm's promising long-term turnaround prospects and near-term catalysts.

## To the moon and back — again!

“The folks at WallStreetBets drove the name into the moon, and now shares have crashed back to Earth, making it a great buy for those who understand the magnitude of BlackBerry’s latest endeavours.” I [wrote](#) in April. “I think BlackBerry stock will boom again. When it’ll happen, nobody knows. But, in any case, I think it’s a good idea to punch your ticket here [at \$11], now that most others have moved on.”

Now that BlackBerry stock has more than doubled up on the back of the resurgence of meme stock hype, I think it’d be wise to take a bit of profit off the table. If you bought on my advice back in April, you’re sitting on a nice 80-90% gain, and I think you should book it, as you look to start playing with the house’s money. Even if the WallStreetBets crowd were never to touch BlackBerry again, I’d still love to have it in my portfolio for the long haul. That said, investors must be mindful of the price they’ll pay, as even a wonderful business can be a dud if the price isn’t right.

## Should you buy BlackBerry stock here?

With BlackBerry stock at near \$20, the name has surpassed my estimate of its intrinsic value (I think it’s worth \$15-16). As such, new investors would be wise to wait for a pullback, unless they’re willing to play the game of greater fools (that’s based on the greater fool theory, not us here at The Motley Fool) with a mildly overvalued stock and run the risk of being the bagholder.

While BlackBerry does seem overvalued here, I don’t think it’s anywhere close to being as overvalued as AMC Entertainment. In the \$20s, you could stand to lose about half your investment in a hurry, but at least you won’t lose your shirt and your pants like you could if you were caught on the wrong side of the AMC trade.

## The Foolish bottom line on BlackBerry stock

There’s no telling what BlackBerry’s next move will be. That said, I think it’s all right to speculate with what you’re willing to lose, as the second wave of meme stock speculation takes it to the next level. So, if you’d bought at \$11 and change, is it really such a bad idea to take your principal off? I think it’s only prudent.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:AMC (AMC Entertainment)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)

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1. Business Insider
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