Looking to Get in on the Meme Trade? Here Are 2 Top Canadian Stocks That Fit the Profile

Description

Meme stocks have been the centre of the hubbub of late. Investors everyone are posting their insane returns from "YOLO" bets. And a range of young investors are jumping abroad the trading game.

However, some meme stocks are better than others. In this article, I'm going to discuss two Canadian meme stocks with different levels of investor engagement. These are stocks that have largely underperformed more highly touted meme stock plays of late.

Let's dive into these meme stock plays.

BlackBerry

Perhaps the most-discussed meme stock play in Canada is **BlackBerry** (TSX:BB)(NYSE:BB).

BlackBerry stock skyrocketed as high as $36 earlier this year on initial short-squeeze interest. To put this stock price in perspective, BlackBerry opened the year around $8.50 per share.

Today, shares trade at approximately $17 apiece. That's still a double-up for early investors in this meme stock rally.

The company is taking advantage of another meme stock rally higher. Despite flagging sales and earnings numbers that disappointed on the whole, BlackBerry's stock price is becoming detached from its fundamentals. Accordingly, this is a stock that has seen significant volatility of late.

Now, there are some pretty important growth catalysts for this stock investors seem to be pricing in. For example, BlackBerry's partnership with **Amazon** to develop its IVY platform is intriguing. BlackBerry has a number of other security-focused software offerings growth investors may be enticed by. Accordingly, it's not all smoke and mirrors with this stock.

However, investors need to be reminded that these meme stock plays are likely to see some volatility on the horizon. For investors looking to bet on a meme stock play with tonnes of growth potential, BlackBerry seems like a good fit. It's just rather expensive relative to its long-term prospects at these levels today.

Cineplex

Another stock that has approximately doubled this year on some degree of meme stock mania is **Cineplex** (TSX:CGX).

Like its American peer **AMC Entertainment**, Cineplex has been engulfed in the reflation trade. Investors are betting that moviegoers will go to the theaters en masse. Furthermore, theatre chains could see profitability — the likes of which we haven't seen in some time.

These bullish catalysts may or may not materialize. After all, the cinema sector was already in somewhat of a long-term decline prior to the pandemic. Time will ultimately tell how prudent an investment in Cineplex will be at today's prices.

That said, it really can't get worse for movie theatres right now. There's only earnings upside on the horizon. Massive losses are likely to continue for some quarters to come. However, if Cineplex can turn impressive enough growth rates, sentiment could continue to stay bullish on this name for some time.

Bottom line

Accordingly, investors in either of these stocks needs to be reminded of the risks in investing purely on the momentum that exists in the retail space today. As fast as these go up, the decline could be more rapid. That's a risk aggressive investors are taking with these names today.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. growth
2. investing
3. long term growth
4. market
5. Stocks
6. tech stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:CGX (Cineplex Inc.)

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

Tags

1. growth
2. investing
3. long term growth
4. market
5. Stocks
6. tech stocks

Date
2025/08/18
Date Created
2021/06/11
Author
chrismacdonald