



Do You Want Outsized Gains? 1 TSX Meme Stock Is a Better Buy Than GameStop (NYSE:GME)

Description

Two meme stocks hogged the headlines in 2021 and continue to create a scene at Wall Street. Video game retailer **GameStop** ([NYSE:GME](#)) and movie theatre chain **AMC Entertainment** ([NYSE:AMC](#)) were on the brink of collapse in the 2020 pandemic year. Hedge funds were shorting both stocks hoping to make big bucks when the stock prices drop.

However, GameStop and AMC found a new lease on life when an army of retail investors known as Reddit traders came to their aid. Suddenly the prices of the struggling stocks soared through the roof. As of June 7, 2021, GameStop is up 1,386.25% year to date, while AMC is ahead by 2,494.34%.

BlackBerry ([TSX:BB](#))([NYSE:BB](#)), a Canadian stock, is cross-listed in the NYSE and counts as among the potential targets of retail investors. However, the TSX tech stock doesn't enjoy the same [astronomical gains](#) as GameStop and AMC. At \$19.01 per share, the year-to-date gain is only 125.24%. The trailing one-year price return is 162.87%.

Popularity, not fundamentals

GameStop and AMC have surged because of immense popularity, not [operational performance](#). Reddit retail traders zeroed in on the video game retailer because it had the highest interest among short-sellers. The young investors flocked to GameStop and started a short squeeze. As a result, hedge funds lost billions of dollars.

The hesitation of GameStop to move toward digital gaming from the traditional brick-and-mortar setup was costly. Sales were stagnant for years, and it became inevitable that underperforming stores would be shut down for good. Now, the company can liquidate debts and pursue digital transformation.

AMC also had a high level of short interest, so Reddit traders saw an opportunity. Unlike GameStop, America's largest movie exhibition company was teetering on insolvency. The company was frantically sourcing funds to stay afloat and avoid bankruptcy. It resorted to an at-the-market equity program.

Now, AMC is the star of meme stocks. To curb wild trading, **TD Ameritrade** said increased margin requirements on GameStop and AMC to 100%. Investors must purchase all the securities with cash. The SEC joined the fray and keeping a close watch on potential market disruptions, manipulative trading, and other forms of misconduct.

Slick moves

BlackBerry is caught in the meme frenzy, although it has visible growth potential. The tech stock outperforms the TSX because of some slick moves. It has a significant collaboration with **Amazon** Web Services that will soon bear fruit. The automotive software BlackBerry IVY should cement its position, if not revolutionize, the auto industry.

On June 7, 2021, BlackBerry announced that BITECH Automotive in China would adopt its QNX Neutrino Realtime Operating System (RTOS). Changan Automobile has started mass production of its new SUV, which will feature the digital cluster that BlackBerry and BITECH will jointly develop.

Before you forget, BlackBerry also leverages AI and machine learning to deliver innovative solutions in cybersecurity, safety, and data privacy solutions. The \$10.75 billion Waterloo-based company is now of the leaders in endpoint security, endpoint management, encryption, and embedded systems globally.

Viable long-term play

Some market analysts warn that BlackBerry might be the next meme stock that the Reddit army will pump up. However, with or without the social media-induced investing, the company is making headway on several fronts. This TSX stock is a viable long-term play.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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