



How Reddit Ruined BlackBerry Stock (TSX:BB)

Description

I used to write all the time about how **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) was such a great deal. The stock traded well below fair value and continues to have a strong future outlook. However, then Reddit got involved. While on the surface it looks like it's good news, with BlackBerry stock trading higher, I wouldn't be so sure.

What happened

Let's look at this past year. One year ago, BlackBerry stock traded at about \$6.75. That was a steal, even among tech stocks that traded higher during the pandemic. But with the pandemic looking like it might come to an end, there was a dump of BlackBerry stock along with other tech stocks. And this is when Reddit decided to swoop in.

Shares of BlackBerry stock soared 341% back in January, creating a short squeeze. Users on Reddit channels such as WallStreetBets fed into BlackBerry shares to create a sky-high share price. But the idea was to pump shares as high as possible and then dump them. That's exactly what happened.

This "pump-and-dump" scheme on Reddit saw shares rise 341% and then crash 57% within a couple of days. It was terrifying for investors who thought they were getting a piece of the action. Instead, they saw their shares rise and fall within an incredibly short period of time.

Reddit at it again

And now we're back at it again. Reddit users use a mocking tone on places like WallStreetBets. They are completely transparent that they aim to pump shares as [high as possible](#), looking likely to reach those January highs or higher. As of writing, shares trade at \$17 per share, so that's about halfway to the highs seen a few months ago.

In the last two weeks alone, shares of BlackBerry stock are up 66%, and it's getting scary. Yes, you could theoretically get in BlackBerry stock and cross your fingers that you'll see those highs from back

in January. But nothing is guaranteed, especially when it comes to depending solely on what users on Reddit decide to do.

BlackBerry stock is ruined...for now

This Reddit thing is a volatile situation I want no part of. And what's worse is that BlackBerry stock is a great company for future investors. But there are some issues, which means I would much rather wait until shares are back down to a reasonable level before investing.

While BlackBerry stock has made some excellent partnerships, it is still in an investing stage. It is offering its IVY Platform as the future of cloud security in autonomous vehicles, including self-driving cars. Its cybersecurity is being used by enterprise private companies and governments. While this is great news, it has a *lot* of competition. Competition among heavy hitters that have done this a lot longer.

BlackBerry stock shifted from smartphones to this new revenue stream of software. But there are companies like **Alphabet** and **Microsoft** and even **Apple** that have been in this game a lot longer and with a lot more resources. So as of right now, the future is still pretty up in the air even though the company has support from businesses like **Amazon**.

BlackBerry bottom line

I like BlackBerry stock, but only when it's cheap. The future is still too risky for me to put [my life savings](#) into a stock that right now is only trending upward because of a Reddit channel.

While it could be an excellent buy for those willing to buy and hold, this volatility makes it too risky, especially at today's inflated share price.

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