



## Meme Stock Bandwagon: Worth Jumping On?

### Description

Our society has changed quite drastically in the last few decades, and one of the most significant changes is the pace at which we live our lives. In the good old days, people lived relatively static lives that didn't change that didn't always change much from one day to the next. Career choices were for life and investment decisions were made once a year.

Now, things change at a very different pace. And if we can't keep up, we risk taking advantage that the sporadic opportunities offer. While it has made us more active, the high-paced attitude to life and things like investment decisions has also instilled some bad practices.

One of these practices is that many people try to jump on the latest fads and bandwagons without thinking things through. [Meme stocks](#) are a good example. Many investors try and take advantage of the meme stocks for some "quick-and-easy" growth that meme stocks offer, but relatively few of them succeed. The rest end up getting burned.

If you are planning to try your hand at this high-stakes game, it's a good idea to think your options through.

### Can you make a profit with meme stocks?

Yes! In fact, you can make more money with a so-called meme stock in a matter of weeks or even days than you could with a typical growth stock. Take **AMC Entertainment Holdings**, the latest meme stock, as an example. The stock grew over 400% in less than two weeks (between the end of May and early June), and it's a far cry from **GameStop**'s peak growth (3,400% in four months).

But this is an extreme example, something that looks quite impressive on charts but is incredibly difficult to pull off in real time. Knowing which meme stock to buy and when is difficult enough, but what really dictates your profit is timing your sell. If you can't exit your position at the right time, you may end up holding a potentially useless (or less profitable) asset.

If you have the right trading acumen (which is very different from investment acumen), you might be

able to make a decent profit with meme stocks. But if you are a typical investor who leans more toward the reliable potential of long-term holdings and passive investing, they might not be for you.

## Meme-worthy growth

**Prime Mining** (TSXV:PRYM) is one small venture capital stock with a market capitalization of \$400 million that has already displayed growth akin to most meme stocks. The stock grew 360% in the last 12 months and is still going strong. One potential catalyst would be the discovery of high-grade gold and silver in the company's Mexico-based mines.

One thing you need to know about this company is that it's not even a fraction of its former glory. It used to have a four-digit valuation before 2000 and has come down a long way since, but if its current growth phase takes it to just double digits, you can double your investment capital.

And if it reaches even one-tenth of its former peak valuation, it has the potential of making you richer at a relatively more controllable pace than most meme stocks.

## Foolish takeaway

The [meme stock](#) bandwagon is worth jumping on if you know where to take the bus from and at which stop you need to get off. But if you can't get the timing right, it would be a good idea to stick with stocks that offer gradual but consistent growth rather than rapid spikes that might tear a hole through your capital.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

### TICKERS GLOBAL

1. NYSE:GME (GameStop Corp.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

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### Date

2025/08/25

**Date Created**

2021/06/15

**Author**

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