



BlackBerry Stock (TSX:BB) vs. Ballard Power Stock (TSX:BLDP)

Description

Investors have been hungry for growth in 2021 and have taken on serious risk to get it — or, at least, to *try* and get it. That's exactly what's happened during the recent Reddit craziness involving **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)). Despite nothing newsworthy happening with BlackBerry stock, shares have soared — all thanks to Reddit users pumping the stock, if only to dump it.

While I don't necessary believe that BlackBerry stock is a bad investment, there are others in the same field that I would consider instead. Investing in **Ballard Power Systems** ([TSX:BLDP](#))([NASDAQ:BLDP](#)) is one I would consider before any Reddit scheme.

Is recent BlackBerry stock growth justified?

I don't think BlackBerry stock is a poor company. Rather, I think Reddit has made people far too convinced of its worth. In fact, I'm not even sure people know why they would invest in BlackBerry stock to begin with!

Here's the good news: BlackBerry stock has come a long way since creating a smartphone. Today, the company is creating cybersecurity for both enterprise level companies and smart vehicles alike. Smart driving and autonomous vehicles are where BlackBerry is putting a lot of investment — so much investment, in fact, that **Amazon** Web Services has partnered with it.

That's good news, right? Yes, but today's growth isn't about this. It's about Reddit and Reddit alone. Let's look at the past few months to prove my point. Shares of the company traded at \$6.75 a year ago. Then in January, those shares hit \$36 — growth of 341%! That's before crashing by over 50%, creating a "short squeeze." Reddit users pumped the share price as high as possible, then dumped it when it reached a solid point *within days*.

And that's what's happening today. Investors have seen shares climb by 78% in the last month alone. And if you go on WallStreetBets, you can see the mayhem being caused. It is no secret that once shares reached a boiling point, they will drop quickly.

Ballard Power stock: Fuelled by fundamentals

The similarity between BlackBerry stock and Ballard Power stock is that each is involved with [electric vehicles](#). But whereas BlackBerry stock focuses on software, Ballard focuses on power. The company has seen growth in this relatively new industry and now holds 80% of the market shares in the heavy-duty fuel cell market.

And that's the key. Ballard isn't trying to tackle the everyday vehicle. It's looking bigger. It supports fuel cells for buses, trucks, trains, and even marine vehicles. This is supported by the global phenomenon towards clean energy — a phenomenon expected to see upwards of US\$10 trillion invested worldwide in the next decade. As more countries sign on to reducing emissions, Ballard is likely to get a large slice of that pie.

Now, I'm not saying Ballard is perfect. During the last year, shares also climbed when United States president Joe Biden got into office; shares climbed 188% in six months. Then there was a dropoff with the rest of the clean energy companies. Today, shares are up just 20% in the last year.

But if you zoom out, Ballard is up an incredible 1,320% in the last decade — a compound annual growth rate (CAGR) of 30%! I'll take that any day over Reddit and BlackBerry stock. It's also driven by fundamentals, not Reddit users. The company currently trades at a cheap 3.7 times book value. The company is set up to outperform for decades to come, and the same simply cannot be said of BlackBerry stock.

Foolish bottom line

BlackBerry stock may be a [good investment again one day](#), but not during all this volatility. Don't fall for a get-rich-quick scheme that's doomed to fail. Instead, investing in a company like Ballard with a proven track record and solid outlook is far better. You can avoid a lot of risk and continue to see strong share growth for decades to come.

CATEGORY

1. Investing
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2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:BLDP (Ballard Power Systems Inc.)

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Author

alegatewolfe

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