



Forget AMC and Dogecoin: This Canadian Stock Could Be Capable of Even Bigger Gains

Description

Despite the first-half-of-the-year pullback in many high-multiple growth stocks, there still seems to be pockets of severe overvaluation that have yet to fully correct. Moreover, the speculative appetite has remained quite robust, with **AMC Entertainment** stock and Dogecoin riding high in 2021. While it's fun to "invest" in such high-upside speculative bets, I believe that many [beginners](#) showing up late to the party will be in tears at the end of the day.

Given the incredible volatility in AMC, Bitcoin, and Dogecoin, it's tough to tell when you should sell, hold, or buy more. Sadly, HODLing (holding on for dear life) or doubling down on a speculative bet could lead many to suffer from the full impact of the next inevitable crash. Nobody knows if AMC or Dogecoin will recover once the next crash hits.

A speculator's paradise: Dogecoin, Bitcoin, AMC, and Tesla. Oh, my!

I view AMC as severely overvalued and at risk of a catastrophic correction that could send many beginners straight to the penalty box.

Heck, even AMC's CEO warned investors that those buying his shares could lose some big money. Dogecoin, a joke digital currency (or meme coin) that has no intrinsic value, may not even be around in five years from now. As such, investors must be ready for pain if they're looking to trade either asset, because I think the odds are stacked heavily against those looking to get in at current prices. In the case of Dogecoin, I think the odds are unfavourable, regardless of the price.

It's natural to seek big gains. Many people want to get [filthy rich](#), and they want to get filthy rich now, or at least in the least amount of time possible. It's this desire for quick riches that leads many down the route of speculating on Dogecoin, meme stocks, or dangerously overvalued green energy stocks like **Tesla**.

A dire warning for speculators, courtesy of the man behind *The Big Short*

Dr. Michael Burry, the legendary investor who saw the Great Financial Crisis coming from a mile away, recently warned investors of bubbles of unprecedented scale in names like Tesla — a stock he's shorting heavily. I think investors would be wise to heed the man's warning and resist the temptation to speculate on such assets that have doubled up many times over in recent years.

You don't need to risk everything to punch your ticket to a shot at life-changing gains. What you do need is the patience and discipline to be a true contrarian. Consider **Score Media and Gaming** (TSX:SCR)(NASDAQ:SCR), one hard-hit Canadian tech stock that could fly high again — possibly sooner rather than later.

Both high-multiple stocks have considerable downside risks, but their overall risk/reward profiles, I believe, are far more favourable than that of Bitcoin, Dogecoin, or AMC.

Score a winner with SCR stock?

Score Media has traded like an option on the passage of Bill C-218 — a bill that aims to lift the ban on single-game sports betting in Canada. Investors piled in, eagerly awaiting a timely passage of the bill. But as inflation jitters caused rates to spike, many weak-handed investors were quick to take profits in the name, which eventually shed over 70% of its value in a matter of months.

Nobody knows when Score will come soaring back, but regardless, I think those with a five-year horizon will do better in the well-run digital media company versus the likes of a Bitcoin, Dogecoin, Tesla, AMC, or any other "bubble" that Dr. Burry has warned us of ad nauseam over this past year.

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