



## Is BlackBerry Stock an Investment or Gamble? 3 Things to Consider

### Description

It's no secret that **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) has been one of the hottest stocks this year, and especially lately. It's gained more than 100% in just a few trading days on multiple occasions this year.

One of the main reasons for this is that it's considered a meme stock, which have all recently been pumped on [Reddit](#).

This massive rally lately has caught the eyes of many investors. And now Canadians are wondering if they should buy BlackBerry stock.

If you're thinking of investing in BlackBerry stock, here's what to consider before buying it.

### Are you considering it as a long-term investment?

BlackBerry can be a good investment. What is a lot riskier is to speculate on its share price in the short term.

The difference is that if you buy it for the [long term](#), it's because you think the business is solid and will grow, increasing your value as a shareholder.

This is not risky, because you can give yourself a long time horizon in case BlackBerry stock faces headwinds. Plus, if you buy high-quality companies, eventually, they will grow.

When you bet on its share price for the short term, it's a lot riskier, because you have to hope that someone will be willing to pay more for the shares tomorrow.

So, if the stock is well above its fair value, which it appears to be, eventually, the bubble will burst.

But how can you tell what its fair value is? As an investor, you can determine that yourself by looking at a range of factors from fundamentals to the growth potential of its industry. Another way, though, is to see what analysts think of the company.

## What do analysts think of BlackBerry stock?

In addition to placing a value on the stock yourself, it is also helpful to look at what analysts think of the business.

In BlackBerry's case, analysts are, of course, bullish on its long-term potential. However, it's clear from all the estimates and price targets that the market price of BlackBerry stock is considerably overpriced today.

Of the [three analysts](#) who currently cover the stock, two have it rated a hold, with one calling for a sell. Furthermore, the average target price is just \$11, and the highest target price is only slightly above \$12.

So, at more than \$15 a share today, it looks to be trading at a significant premium.

## Is BlackBerry the most opportune stock to buy today?

At this price, and after a recent rally, even though it's come down from its highs, it still looks as though it may be overvalued.

That doesn't mean it might not be worth an investment if the stock was to pull back over the coming weeks or months. Today, however, there are much better stocks you can buy.

One top Canadian stock to buy instead of BlackBerry is **AcuityAds Holdings**. AcuityAds is a [tech stock](#), like BlackBerry. However, its business is much different, and [AcuityAds](#) is considerably cheaper to buy today.

There are plenty of stocks that are as attractive as AcuityAds today. While BlackBerry stock trades at a level that's overpriced, it's not worth an investment. Going forward, though, if it can get cheap enough, and if you believe in BlackBerry's long-term potential, then it could absolutely be worth an investment.

### CATEGORY

1. Investing
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