



Are Any Reddit Stocks Worth a Buy?

Description

With several popular stocks on Reddit rallying lately, many Canadian investors may be wondering if any are actually worth buying as a long-term investment. There certainly could be. There's nothing that says you can't find a high-quality investment idea for the long run on Reddit.

For the most part, stocks that are being pumped by a group of people on the internet likely won't be worth an investment. And after massive gains in recent weeks, even if you find a high-quality stock, it almost certainly will be extremely overvalued.

To find a high-quality company that's worth an investment, it should have a strong core business with robust operations, impressive cash flow generation, or the potential to generate a lot of cash flow. Most importantly, though, it should trade at a fair price.

Short-term gains, especially the expectation for large gains in the short term, make the stock a speculative buy, not an investment.

If you're going to invest, it has to be for the [long run](#). So, while you can find stocks on Reddit that may be worth a buy, make sure you aren't speculating.

One Reddit stock that could be worth a long-term investment

One Reddit stock that could be worth a long-term investment is **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)).

[BlackBerry](#) is a stock that many Canadians know of, and many are aware of its incredible growth potential. The company, which used to make some of the most popular cellphones, is now one of the leaders in software security.

Software security has a tonne of growth potential, especially with all the exciting innovations in the sector. Right now, though, it's caught up in this speculative wave. So, while the stock that's popular on Reddit could be worth a long-term investment, it's not worth a buy today.

As has been expected, it's started to come back down to a reasonable valuation of late, though, so if you're thinking of buying the stock, watch it closely over the next few weeks or months.

At some point, this [Reddit bubble](#) has to burst. Stocks that are far lower quality than even BlackBerry are overvalued by quite a bit more. Wait until you can buy BlackBerry back at or below its fair value; that's when it will be worth a long-term investment.

Another top Canadian stock to buy today

One stock that isn't being pumped on Reddit but offers far more growth potential is **CAE** ([TSX:CAE](#))([NYSE:CAE](#)).

CAE is a technology company specializing in training and simulations for civil aviation, defence and security, as well as the healthcare sector.

Before the pandemic, CAE had been a top [growth stock](#) in Canada. Over the last five years, including the pullback over the last year, CAE investors have seen returns north of 150%.

The business is especially attractive, because it sells a mix of products and services. Furthermore, its business is positioned well and diversified all around the world.

One of the main reasons CAE is such a great investment today and better than any Reddit stocks is that it's a dominant company in a growing industry with significant barriers to entry.

It's also a business model that has a lot of recurring revenue. Furthermore, its financial position is impressive, and its operations generate strong cash flow.

And on top of everything else, CAE just made an impressive acquisition to boost its defence and security segment going forward. This will help diversify the business even more as well as broaden CAE's position in the military training and simulation industry.

Because its largest segment is aviation, it is still recovering slightly from the pandemic. The company is in great shape, though, to not only continue to recover but continue its rapid growth.

So, if you're looking for a stock to buy today, CAE is a much better choice than BlackBerry or any other Reddit stocks, for that matter.

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2. NYSE:CAE (CAE Inc.)
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