



Reddit Stock: Should You Buy BlackBerry Shares Right Now?

Description

Reddit's favourite Canadian stock, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), has been under considerable [pressure](#) of late, plunging 20% from its June 2021 high. Undoubtedly, the Reddit-fuelled rally had little to do with timely material news going on at BlackBerry and more to do with the speculative appetite for hungry retail traders who want to bring the fight to the big-league short-sellers.

The latest run-up in BlackBerry stock caught me by [surprise](#).

Earlier in the year, when BB shares collapsed nearly 70%, I'd urged investors to back up the truck on shares for the long term. I'd stated that another WallStreetBets-style run was improbable. I was wrong. BlackBerry popped again, and while it didn't hit its January 2021 highs, the stock did manage to blast past even the most bullish sell-side analyst's price target.

Now that BlackBerry shares have cooled off at \$15 and change, is now the time to punch your ticket for the long haul? And will WallStreetBets return with another round of buying? Or could the name be destined to trade back at the double digits by late summer?

BlackBerry stock goes bust—again

The recent pullback in those white-hot shares of BlackBerry shouldn't have come as a surprise. In fact, I'd warned investors, even long-term thinkers, to take a raincheck on the name, despite improving conditions and compelling catalysts.

Indeed, things are looking up for BlackBerry stock again, with COVID-19 headwinds slated to fade further into year's end. The QNX business has steadily seen weight lifted off its shoulders. Over the next year, it's not too far-fetched to think that BlackBerry can fire on all cylinders as the turnaround continues. Undoubtedly, the company's transformative story is only suitable for the most patient of long-term investors, like Prem Watsa.

BlackBerry's collaboration with **Amazon.com** on project IVY, I believe, will pay ample dividends (not literally) moving forward. That said, I think BlackBerry will be moving, not at the hands of fundamentals,

but over near- to intermediate-term forces dictated by some very hungry traders who seek to make a quick buck off momentum and meme stocks.

While BlackBerry is my favourite WallStreetBets stock, I can't say I'm enticed by the valuation, even after the recent 20% pullback. In prior pieces, I've urged those keen on investing in shares of the name to just wait for the post-boom bust. With BlackBerry stock picking up negative traction, I think the bust has already started. While I have no idea when this latest pullback will bottom out, I would be more inclined to scoop up shares should they fall back to the \$10 mark.

The Foolish bottom line

Yes, BlackBerry has a lot going for it. But to paraphrase the great Benjamin Graham, stocks, like BlackBerry, act like a voting machine over the near term but a weighing machine over the long term. Right now, the number of votes, I think, outweighs BlackBerry stock's weight.

In short, BlackBerry stock may not be a buy right here. But should negative momentum pick up, I wouldn't at all be surprised to see the name enter buy territory within a matter of weeks. As such, long-term investors should keep the fast-moving name on their radar and be ready to pounce.

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