2 TSX Stocks Dipped Over 15% in July: Should You Buy or Sell?

Description

The July month saw some correction as the rising cases of Delta variant, and the phase-out of the Canada Recovery Benefit (CRB) slowed recovery. Even the recovering earnings couldn't help push the stock market. The **TSX Composite Index** dipped 4.62% in July as the Toronto stock exchange is skewed toward energy stocks, which were down. However, tech stocks performed well.

Two TSX stocks that dipped in July

What caught my attention were two shares, **Cineplex** (TSX:CSX) and **BlackBerry** (TSX:BB)(NYSE:BB). They surged beautifully since the start of the year over the hopes of recovery. But their recovery is now facing a correction, making investors anxious as they see the red lines on their portfolio.

If you hold these stocks in your portfolio, don't panic. Continue holding them and read further because it is important to know why these shares are falling. Making buy and sell decisions just by looking at the share price is not the right way forward. This can lead to losses that will take you a long time to recover.

Cineplex stock

I will start with the theatre chain Cineplex. The stock surged 82% this year in the hopes of recovery. There was news everywhere that Cineplex is opening its theatres after 15 months. Then, its U.S. counterpart **AMC** got caught in the Reddit short squeeze and rose to unprecedented levels. This raised hopes that maybe Cineplex could become a potential meme stock, but that didn't happen.

Then came the Delta variant, putting a stop to the reopening of Cineplex. Investors feared that moviegoers might once again resume binge-watching on the over-the-top platforms, pulled Cineplex stock down 23.3% in July. If you purchased the stock at around $16, a loss of over 20% might seem heavy. Should you book the loss or hold the stock?

Fear is the biggest enemy of an investor. Nothing has changed for Cineplex. The cinema chain knew the reopening won't be smooth; there would be waves and temporary closures. It even feared the worst that OTT viewers won't return to the big screen. But theatre has a different user experience, and

Cineplex is leveraging that strength to increase the footfall.

It will report its second-quarter earnings on August 12. I am hoping to see some revenue growth outlook. It will take a while for the company to return to profit, but that was not what guided the stock price rally.

It was the revenue growth from the reopening, and it will come back. That is when the stock will soar again, and you will feel happy that you overcame your fears and held on to the stock.

BlackBerry

BlackBerry's share dipped 16% in July. This meme stock surged 75% even after excluding the inflated price from the short squeeze. But the stock dipped below the $13 mark in July as Redditors cashed out on meme stocks. They only held the stock to sell at an inflated price to hedge funds that have shorted the stock. This whole strategy has nothing to do with BlackBerry's management, earnings, or business prospects.

Such gamma squeeze momentum is difficult to time. Hence, you must enter such stocks at the right price point. I have been screaming from the start of the year BlackBerry is a long-term stock. But do not buy the share above the $12 price. Because any price above $12 is the squeeze effect. Like rubber, the share will bounce back to its fundamental price.

This is the right time to buy the share, and if you already own it hold on to it. BlackBerry will introduce its IVY automotive data platform in October and then launch it in February 2022.

It also has an order backlog for the QNX platform. Electric cars and the 5G rollout might act as the technology infrastructure catalyst it needs to grow in the long term. Don't let the 16% dip get into your head. It is the time to buy and not sell.

Fool's way

The above two shares are those where buy the dip sell the rally can earn you good money.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:CGX (Cineplex Inc.)

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1. Business Insider
2. Koyfin

3. Msn
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5. Quote Media
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