



An Extended Bitcoin Rally Could Boost These Stocks

Description

Cryptocurrency buy orders have spiked in the latter half of April and spurred Bitcoin's price near the \$9,000 level over the weekend. The rally has reinvigorated some Bitcoin and crypto market bulls.

Tom Lee, the head of research at the market research firm Fundstrat, recently projected that Bitcoin could reach \$25,000 by the end of the year now that tax-selling pressure has abated. Lee surmised that the sell-off in cryptocurrencies were fueled by the need for investors to sell coins to pay tax bills.

[Stiff regulations](#) on cryptocurrency exchanges in countries like China and India have hurt the price of Bitcoin and others in the beginning of 2018. Bitcoin's meteoric rise also fueled speculation that drove its price from below \$5,000 in the fall of 2017 to over \$20,000 in December. Of course, the rise of crypto has also fueled a spike in the interest of the decentralized network that enables digital currency — [the blockchain](#).

Blockchain Technologies ETF, which was launched in February, has climbed 6.6% month over month as of close on April 20. The ETF rose to \$11.49 in February before dropping as much as \$8.12 in early April.

Back in January, **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) released a report that projected that cryptocurrency and blockchain technologies could unlock a \$10 trillion market. Royal Bank has jumped into blockchain technology, even using it to facilitate transactions between its U.S. and Canadian channels.

Let's look at two other stocks that could gather momentum in the midst of a rally for Bitcoin and the cryptocurrency market as a whole.

Mogo Finance Technology Inc. ([TSX:MOGO](#)) rose above the \$4 mark in mid-April but suffered successive declines to close at \$3.40 on April 20. Shares have plummeted 46% in 2018 thus far. Mogo recently launched MogoCrypto, which allows customers with a MogoAccount to buy and sell Bitcoin through its platform. The company also released its 2017 fourth-quarter and full-year results on March 6.

Mogo added 196,000 net new members in 2017, which represented a 56% increase year over year, and it expanded into four additional Canadian provinces. The company also launched Mogo Blockchain Technology Inc., which will serve as the hub of blockchain operations. In 2017, Mogo saw gross profit climb 7% and reported a gross margin of 67%.

GoldMoney Inc. ([TSX:XAU](#)) is a Toronto-based FinTech company which offers reserved precious metal as well as digital asset financial services. Shares of GoldMoney have dropped 44% in 2018 thus far, but the stock is still up 7% year over year. It spiked as high as \$8.05 at the height of the Bitcoin mania.

In the third quarter of fiscal 2018, GoldMoney reported consolidated revenue of \$150.4 million, which represented a 19% increase year over year. It posted cryptocurrency business revenue of \$22.4 million in less than two months of operations. Canadians are also passing through tax season, and the spike in volumes should show north of the border as well.

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