



2 Canadian Blockchain Stock Buys for Risk-Adverse Investors

Description

Should you be investing in [blockchain](#) technology? That's a question that gets asked a lot at the moment, especially among the more traditionally-minded investment circles. While some current headlines decry crypto as a black hole into which many investors have already flung entire unrecoverable fortunes, the future for blockchain looks bright, with many real-world applications.

Let's look at two distinct strategies: a direct investment option and an ETF.

Direct investment in a blockchain company

If you know your cryptocurrencies and want to get invested in a company by buying its shares directly, consider **Hive** (TSX:HIVE).

Overvalued by more than 50% compared to its future cash flow value, we have to side-step P/E and PEG ratios due to Hive's loss-making nature, but instead look to its P/B of 1.1 times book for confirmation of good value.

An expected annual growth in earnings of 39.7% makes this a clear winner for growth investors looking to ride a growth stock for its upside. A clear buy for investors looking to put money into a miner and seller of digital currencies, including Ethereum, Ethereum Classic, and Zcas, Hive is looking like a [strong buy](#) today on value and growth.

Investing in a blockchain ETF

For more risk-averse investors, an ETF may be the way to go. The **Horizons Blockchain Technology & Hardware Index** (TSX:BKCH) is focused on hardware and services and so has a real-world, nuts-and-bolts philosophy behind it. This makes it the better choice for investors new to crypto and blockchain but still want to have a speculative punt on this volatile and potentially lucrative new industry.

Market watchers skeptical of blockchain investing may be surprised to learn that Horizons is not the only blockchain ETF trading on the TSX – the first ETF to do so was the **Harvest Blockchain Technologies Index**

, which debuted earlier this year.

So which is the better option for the risk-averse investor?

It really does depend on your investment style as well as on your appetite for risk. At the end of the day, knowing the individual blockchain entities that will work long term, and knowing the full extent to which blockchain services will be truly useful is beyond market analysts' current purview.

However, investment in blockchain is vital to this new sector, and as such, shareholders are likely to be rewarded by any successes therein. Spreading the risk is a good idea with something as volatile as blockchain, and so new investors may want to stick with ETFs for now.

On a side note, there's much discussion currently about the similarity of blockchain investing to legal marijuana investing; newcomers to such speculative and highly volatile new sectors may want to consider making side bets on both.

The bottom line

The two stocks listed above represent two very different investment strategies. Newcomers to the crypto and blockchain world are advised to try out the Horizons ETF and see how they get on, while bolder investors or those with some experience of crypto investing should check out Hive if they haven't already. For a bold play, the latter could consider holding both in the crypto or neobanking section of their portfolios.

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1. TSXV:HIVE (Hive Blockchain Technologies)

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