



Is Bitcoin Dead? Or Is Now the Time to Buy Low?

Description

Do you want to be a millionaire? The Bitcoin craze drove many to venture into the cryptocurrency space hoping to become instant millionaires. Many made a killing on the digital currency while the rest saw their cash dissolve into thin air. Some investors thought that bitcoin is as stable as gold until disaster struck.

Stories of overnight millionaires flooded the internet and triggered a feeding frenzy. Greed ruled cyberspace as well as the investment world. People didn't care if value investor Warren Buffett warns that bitcoin has no intrinsic value. If others can become rich, so can we. The lessons were hard and the losses were staggering.

Industrial miner listing on TSXV

In Canada, **HIVE Blockchain Technologies Ltd.** ([TSXV:HIVE](#)) is the first cryptocurrency miner that formally listed on the **Toronto Venture Exchange**. The listing of HIVE last year in September was a resounding success.

HIVE is considered as one of TSX-Venture's most successful stocks in 2018. A trading volume record was set immediately. More than 150 million shares worth about than \$650 million were traded in less than 40 trading sessions.

People who missed or regretted not riding on the bitcoin mania is presented with an [alternative to the most popular digital currency](#). But this time, it's no longer a phenomenon. HIVE is traded just like the regular stock. Still, the risks in investing in this pure play blockchain stock are closely tied up with the cryptocurrency market.

Nature of the business

The Vancouver-based company is [a cryptocurrency mining firm](#) that sells digital currencies such as Ethereum, Ethereum Classic, and ZCash. You can try your luck with a blockchain company, as

blockchain technology offers a better opportunity for long-term investors.

The company has bought a large-scale facility as part of its expansion program. HIVE is now mining bitcoin. It has also raised new capital amounting to more than \$100 million. Aside from Bitcoin, it also mines Ethereum, Litecoin, and five other minor cryptocurrencies.

Financial snapshot

Last March 1, investors had a glimpse of the financial standing of HIVE when the company reported third-quarter results ended December 31, 2018. The mining of digital currencies for the three-month period generated S\$8.4 million income with a gross mining margin loss of 2.2%.

During the period, 28,343 newly minted Ethereum was produced, a 45% increase in production from the previous quarter. About 24.2 MW of GPU production capacity was utilized. But you can't relate with these data unless you're well versed on the technical aspects of crypto mining. Deeper learning is necessary.

Guarded optimism

HIVE has a value, but it's hard to assess for now if the stock is worth something on a standalone basis. Keep in mind that good investment prospects should have track records and future growth prospects. HIVE has the makings of a crypto-mining superstar, but the stigma of bitcoin is holding investors back.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSXV:HIVE (Hive Blockchain Technologies)

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