



## This FinTech Stock Has Surged Over 50% in 2019: Is it Worth Buying in May?

### Description

**Mogo Finance** ([TSX:MOGO](#))([NASDAQ:MOGO](#)) is a Vancouver-based financial technology company that offers a variety of financial products specifically marketed to the millennial demographic. Mogo stock had climbed 52.2% in 2019 as of close on May 2. Shares were up 41% from the prior year. The stock reached a 52-week high of \$5.23 on May 1.

Mogo stock had struggled since the late summer of 2018. The small FinTech company eagerly jumped into the [crypto and blockchain craze](#). It launched MogoCrypto in the first quarter of 2018, which allowed members to buy and sell Bitcoin through their Mogo account. The subsequent fall in Bitcoin's value and that of other top cryptocurrencies hurt the overall sentiment at Mogo and other firms that had bet big on blockchain.

Fortunately, the dip into crypto and blockchain was not a Hail Mary for Mogo. MogoCrypto was just another arm of MogoWealth, and the company still has investment options for the product planned through 2019. Crypto remains popular among younger demographics, and Bitcoin has managed to bounce back nicely in March and April. Mogo should not look back in regret for dipping its toes into the crypto waters.

Other top financial institutions have also bet on blockchain. **Royal Bank** ([TSX:RY](#))([NYSE:RY](#)) was a partner with **JPMorgan** in launching a [blockchain-based payments network](#) starting in late 2017. There was considerable excitement surrounding the technology in late 2017 and early 2018. Experts and analysts have thrown some cold water on the assumption that it can have revolutionary importance in the near term, but many top firms are still devoting resources to blockchain research and development.

Royal Bank is one of five banks that has adopted SecureKey Technologies's Verified.Me digital identity system through its mobile app. The network is built on collaboration between banks, telecom firms, and credit agencies. Verified.Me was built on top of blockchain technology developed by International Business Machines Corp. and the Linux Foundation.

The vote of confidence from top institutions demonstrates that major players acknowledge the value of this technology.

In 2018, Mogo saw total revenues increase 26% to \$61.3 million. Subscription and services revenue posted 106% growth and represented 50% of core revenue. Adjusted EBITDA surged 68% to a record \$4.2 million. Active members at Mogo increased 39% from the prior year to hit 765,000 at year end. Mogo also marked a milestone and began trading on the NASDAQ in 2018.

The stock had retreated marginally from its 52-week highs as of close on May 2. Mogo recently announced that it will release its first-quarter results on May 14. Is it still worth buying after building so much momentum in the first half of 2019?

As we have gone over, Mogo stock is trading just off 52-week highs. Shares had an RSI of 72 as of close on May 2, which put it in technically overbought territory. Mogo is a pricey addition ahead of its next earnings report.

## CATEGORY

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aocallaghan

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