



As Bitcoin Goes Ballistic Again, Here's a Ticket to Crypto Millions

Description

Bitcoin is on yet another bull run. The world's most popular cryptocurrency has seen its value dramatically appreciate in a year where **Facebook** has launched its own cryptocurrency and some speculate the Bitcoin exchange-traded fund or ETF could soon be approved.

The price of a single Bitcoin has gone from \$3,200 in early December 2018 to over \$13,750 today. Investors who caught the bottom are now sitting on a quadruple return in just over six months. And, if past bull runs are anything to go by, Bitcoin still has plenty of room left for further appreciation. Here's a look at similar rallies over the past 10 years.

Bitcoin bull runs

There's no doubt that Bitcoin, and the cryptocurrency market in general, is one of the most volatile asset classes around. However, the token has been locked into a pattern of booms and busts ever since it was launched in 2009.

Between 2013 and 2014, Bitcoin had one of its many early rallies where the price went from just above \$100 to over \$1,000 — a 10-fold return in a matter of months. When the market sentiment swung the other way, the price collapsed by over 85% between 2014 and 2015.

Once again, Bitcoin had a historic run from \$1,000 to nearly \$20,000 over the course of 2017. This run was much larger and lasted much longer, but it ended with a predictable bust in 2018. Once again, the price was down 83% from peak to trough.

If Bitcoin delivers another 10-fold return from its 2018 low, investors could expect the price to hit roughly \$32,000 soon, far above its all-time high. However, cryptocurrencies are still complicated instruments that are difficult and risky to invest in directly. Instead, I recommend a Bitcoin mining company as a proxy for retail investors.

Bitcoin mining operation

HIVE Blockchain Technologies ([TSXV:HIVE](#)) is one of the few pure-play cryptocurrency stocks listed in Canada. The company owns and manages server farms in Europe that are called “mining farms.”

Basically, these so-called farms use intense computational power to verify transactions on the Bitcoin blockchain. As a reward, they receive freshly minted Bitcoins.

The company has typically sold some of these minted tokens to invest in expansion but held onto a significant portion as a long-term investment. When I first investigated the company in 2018, it reported [having Ethereum worth \\$3.75 million](#) held in reserves. Since then, the company has probably minted millions in Bitcoin and the value of a single ETH token has roughly tripled.

That means HIVE’s reserves could well be worth over \$10 million, while the company’s market capitalization is \$166 million. The stock price has already doubled year to date, following the sector’s surge. If Bitcoin’s bull run continues, the stock could follow closely along.

Bottom line

Bitcoin’s rallies tend to be rather dramatic, and it seems like the market is on the cusp of another one right now. The price has already quadrupled over the past year and if the rally continues, mining company HIVE Technologies could serve as the ideal proxy for retail shareholders seeking exposure.

This hyper-growth opportunity is risky, but it deserves closer attention.

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