



## 1 Blockchain Stock to Avoid in 2020 and 1 Tech Stock That Is an Absolute Buy

### Description

Something is cooking inside **HUT 8** ([TSX:HUT](#)) that's eliciting curiosity among investors of the Bitcoin-mining giant. Blockchain stocks like Hut 8 are bruited as [the next best thing to investing in Bitcoin](#). However, the stock is losing ground.

Meanwhile, **Absolute Software** (TSX:ABT) is cementing its position as the leader in endpoint resilience. The company is displaying strength in the Enterprise market and reporting strong profitability across the business. Between the two stocks, Absolute is showing growth potentials, while Hut 8 is puzzling investors.

### Conspiracy theory

HUT 8 is looking for a new CEO to replace Andrew Kiguel, who is also the company co-founder. Aside from the stepping down news, HUT 8's board is ending the company's exclusivity deal with Bitfury in North America. Bitfury is the full-service blockchain firm that provides the Bitcoin-mining hardware.

No one knows exactly what's happening behind the scenes. But it appears that by letting go of Kiguel, HUT 8 could save at least \$2 million annually. The co-founder's yearly compensation is about \$3 million. He is also seen as the last obstacle in concluding the exclusivity deal with Bitfury.

Interestingly, the majority of the board members are Bitfury members or associates. Likewise, Bitfury owns about 47% of HUT 8's common stock. The move is sending the wrong signal. But Bitfury may be preparing to take over the wheels, which is beneficial in the long term. Still, a conspiracy lingers.

### Remarkable enterprise growth

The opposite is happening in Absolute. You can see double-digit enterprise growth. "During Q2 we hit a significant milestone during its Q2 fiscal 2020. The annual contract value base is now more than \$100 million," said CEO Christy Wyatt.

While there are also leadership changes at the top, Absolute is forming a seasoned management team that will help drive business growth. Total revenue is already increasing by 6%. In 2020, analysts are forecasting revenues to be around US\$104.4 million. Business growth should be meaningful in the coming years.

The number of well-known firms, some of which are [Fortune 500 companies](#), are entrusting their internal security controls to Absolute Software. There are about 40 Absolute applications available for use by remote digital workforces.

IT organizations can enforce asset management, security hygiene, and data compliance better than before. Absolute Software is expanding the ecosystem of security control and applications.

## Absolute choice

Cybersecurity is growing in importance because cyberattacks are becoming prevalent in the increasingly connected world. Absolute Software is offering a platform that can detect, monitor, manage, and prevent cyberattacks.

However, blockchain technology is the future. The technology can create an economic infrastructure that suits the digital economy. The prediction is that the blockchain market could be worth US\$60 billion by 2024.

Absolute has a clearer path to profitability today. The situation at HUT 8 smells like a takeover. Unless there is full disclosure of the inside maneuvers, investors will remain skeptical about investing. If you want to take a position, you know which stock is the absolute buy.

### CATEGORY

1. Investing
2. Tech Stocks

### POST TAG

1. Editor's Choice

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1. TSX:ABST (Absolute Software)
2. TSX:HUT (Hut 8 Mining)

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## Date

2025/08/20

## Date Created

2020/03/04

## Author

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