



## Bitcoin Almost at \$20,000: Hive (TSXV:HIVE) Is Up an Insane 1,226% This Year

### Description

Investors in the cryptocurrency market are ecstatic again. Bitcoin, the world's most popular digital currency, is on a [fantastic run](#) in 2020. From US\$5,014.48 at the height of the pandemic on March 16, 2020, one bitcoin is worth US\$19,212.48 today. Year-to-date, the gain is 167%.

Meanwhile, a Canadian blockchain stock overshadows Bitcoin's scorching advance. **HIVE Blockchain Technologies** ([TSXV:HIVE](#)) is up by 1,226% as of December 4, 2020. However, don't get too excited because earnings growth is unimpressive.

### Enthusiasm in bitcoin is back

The last time the price of bitcoin hit nearly \$20,000 was three years ago. But to some crypto investors, it was a traumatic experience. Wild price swings characterize the run-up to the all-time high. The financial world went crazy, with followers insisting that bitcoin will deliver [superior returns](#) than traditional investments.

Many investors rode on the Bitcoin wave, thinking you could get rich quick. However, economists and financial experts warned of a speculative bubble in cryptocurrencies. In December 2017, a violent crash happened. Bitcoin lost 25% of its value in a single day.

The massive sell-off came in 2018. From January to February 2018, Bitcoin's price fell 65%. By September 2018, the MVIS CryptoCompare Digital Assets 10 Index showed an 80% decline in value. The decline of the cryptocurrency market was worse than the 2002 dot.com bubble burst in terms of percentage.

### Volatility and legitimacy

Kevin O'Leary, a Canadian investor and Shark Tank star, has been a bitcoin skeptic for years. He said in 2019 that the cryptocurrency was a worthless and useless currency. This year, O'Leary admits he has a small investment in bitcoin, although his main concern is still volatility and regulators' adverse

reception to cryptocurrencies.

The TV personality believes he and many others will invest in bitcoin if the cryptocurrency market is regulated. An ETF with bitcoin would be interesting because it means it's legitimate.

## Not top-of-mind

Bitcoin is generating renewed investor interest, but blockchain stocks are not in investors' radars. The latest buzz from this space is **Visa's** filing of an application in 2019 to create a digital currency on a centralized computer using blockchain technology. Somehow it indicates that blockchain technology is here to stay.

HIVE has a market capitalization of \$497.77 million and operates as a cryptocurrency mining company in Canada, Iceland, and Sweden. It's a growth-oriented company that owns state-of-the-art GPU-based digital currency mining facilities.

The facilities in Iceland and Sweden produce newly-minted digital currencies like Ethereum. Similarly, it has a cloud-based ASIC-based capacity, which makes newly-minted digital currencies, including Bitcoin.

In Q3 2020 (quarter ended September 30, 2020), HIVE reported \$13 million in revenue, an 8% growth versus Q3 2019. The company also hit a record \$10.6 million in cash flow compared with the \$4.6 million loss a year ago. Despite the positive numbers, HIVE is a risky position. The annual earnings growth in the past five years is -40.2%.

## Bitcoin prediction

Paul Tudor Jones, a billionaire investor and founder of Tudor Investment Corporation, says bitcoin has plenty of room to run over the next 20 years. He also expects every country to use a digital currency in 20 years.

By then, cryptocurrencies could trade like the metals market, where bitcoin sells like a precious metal, while other cryptocurrencies trade like industrial metals.

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