



Bitcoin Rally: This Red-Hot Blockchain Stock Is up over 2,000% in the Past Year!

Description

North American markets have been red hot over the past few months. However, the Bitcoin rally has managed to steal headlines on the back of its stunning run. The top digital currency managed to hit a record US\$40,000 in January. However, it has since retreated from that level. The crypto market at large has been running hot, and this has included publicly listed blockchain stocks. **HIVE Blockchain Technologies** ([TSXV:HIVE](#)) has put together a stunning run over the past year, rising over 2,300% as of close on January 15.

Today, I want to evaluate whether Bitcoin or HIVE is the better investment. Moreover, should investors roll the dice with these volatile assets in a market that looks dangerously overheated?

Bitcoin rally: Is it time to be fearful?

Last Friday, I'd discussed whether Bitcoin's marvelous run would [come to an end](#) in the month of January. Cryptos enjoyed a prolonged bull run in 2017 that put Bitcoin and many of its peers on the map. That came crashing down in January of 2018. However, as I'd pointed out in the article above, there are key differences today.

Crypto markets are no longer fighting a multi-front war with international regulators. On the contrary, digital currencies have been embraced by mainstream payment processors and brokers in recent months. Companies like Wealhtsimple and **PayPal** now offer Bitcoin trading and Bitcoin wallets on their platforms. Moreover, Bitcoin has attracted the attention of more institutional investors in 2020 and early 2021.

Canadians who want to get in on the Bitcoin craze in their TFSA or RRSP can scoop up **The Bitcoin Fund** ([TSX:QBTC.U](#)). This ETF tracks the performance of Bitcoin.

Why this blockchain stock may be a better bet for Canadian investors

Blockchain stocks have historically performed well during previous crypto bull runs. This stands to reason, just like gold and silver miners run wild when the spot price of their respective metal spikes. Shares of HIVE Blockchain have reaped the rewards during this [crypto bull run](#).

HIVE Blockchain operates as a cryptocurrency mining company in Canada, Sweden, and Iceland. It released its third-quarter 2020 results on November 30. Revenue from digital currency mining rose 8% year over year to \$13 million. Moreover, it posted net earnings of \$0.03 per share compared to a net loss of \$0.04 per share in the prior year. The Bitcoin rally has paid off nicely for HIVE Blockchain. Which is the superior buy for Canadian investors?

Verdict: Should you buy Bitcoin or HIVE stock today?

Investors will need to stomach volatility if they want to hold a Bitcoin ETF or stash HIVE Blockchain in their portfolios. Both have been subject to wild swings in recent years. The mainstream embrace of crypto is a great sign for HIVE Blockchain, so put me in the bullish camp for the present. Bitcoin, however, is scorching hot and primed to burn those who buy high.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:QBTC (The Bitcoin Fund)
2. TSXV:HIVE (Hive Blockchain Technologies)

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