



## Top Tech Stock 2021: Hive Blockchain (TSX:HIVE) or WELL Health (TSX:WELL)?

### Description

Tech stocks have had an incredible run over the past year. Two of the best-performing stocks on the Canadian stock market were both from the most exciting technology industries of the year.

**Hive Blockchain Technologies** ([TSXV:HIVE](#)) and **WELL Health Technologies** ([TSX:WELL](#)) should both be on your radar for 2021.

But which one is better? Here's a closer look at the prospects of these two industries and why I'm betting on one over the other.

### Hive stock

Over the past 12 months, HIVE stock is up a jaw-dropping 2,245%. In other words, a \$1,000 investment in HIVE stock in January last year would be worth \$23,450 today!

That incredible performance has been driven, of course, by the revival of Bitcoin. Interest in cryptocurrencies has surged past the previous high set in 2017. Now major cryptocurrencies like Bitcoin and Ethereum are both trading at all-time highs.

As a Bitcoin miner, HIVE holds these currencies in reserve and generates more every day. Investors are betting on it as a proxy to Bitcoin. However, Hive stock's valuation has clearly overshot its fundamentals. The stock is trading at a ludicrous [254 times crypto reserves](#).

Meanwhile, the rapidly accelerating price of Bitcoin is making mining more competitive. Minted new Bitcoin is as difficult as ever. That could squeeze HIVE's margins going forward.

### Well health stock

The telehealth sector, meanwhile, is less competitive, larger, and better valued. WELL Health stock is up 344.6% over the past 12 months. However, sales growth has kept pace with the stock price. Revenue run rate expanded 92% compared to the *previous quarter* alone.

Over the past 12 months, WELL Health's sales growth has been nearly as remarkable as its stock price acceleration. The company's entry into the United States expands its potential market much further.

[WELL Health stock](#) is currently trading at 13 times its annual revenue run rate. That's surprisingly reasonable when compared to the rest of the tech sector. HIVE stock, for instance, is trading at a price-to-sales ratio of 35.7.

At this stage of the market cycle, valuation is key. A stock that is more fairly valued could be at lower risk of a correction if (or when) the tech bubble bursts. This is why I prefer WELL health over HIVE at the moment.

## Bottom line

Tech investors have had an incredible run over the past year. However, investors must be cautious, as valuations skyrocket to all-time highs. A correction in the tech sector cannot be ruled out.

Well Health and Hive Blockchain are two of the best-performing stocks over the past year. However, one of these seems far more overvalued than the other at the moment. While HIVE is trading at 254 times crypto reserves, WELL health stock is trading at a modest 13 times recurring revenue.

A fairer valuation makes WELL Health stock my top pick for 2021.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:WELL (WELL Health Technologies Corp.)
2. TSXV:HIVE (Hive Blockchain Technologies)

### PARTNER-FEEDS

1. Business Insider
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**Author**

vraisinghani

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