



## Hotter Than Bitcoin: These 2 TSX Momentum Stocks Are up Over 1,500% Since March — Don't Chase Them

### Description

It really paid to chase momentum plays (like Bitcoin) and neglect valuation last year, but who knows if that will be the story of 2021? The appetite for speculation is unprecedented, with the run-up in Bitcoin past the US\$50,000 mark, the hype surrounding WallStreetBets and its next short-squeezing candidate, and the smoking-hot marijuana trade, which is really starting to heat up again.

Several red-hot TSX stocks have continued building upon their gains posted in 2020. It's tempting to chase the hottest of the hot, with names like **Score Media and Gaming** (TSX:SCR) and **HIVE Blockchain Technologies** ([TSXV:HIVE](#)), which are up a staggering 2,900% and 1,500%, respectively, off their March 2020 lows.

Each former value stock has exploded onto the scene. And while the frenzy could easily continue for many months to come, venturesome investors should only bet what they're willing to lose. While both businesses may be incredible, the tides could turn at the drop of a hat, as [GameStop](#) did in its M-shaped fall to the floor that saw shares lose over 85% of their value in just a matter of weeks.

If you're looking for a sound long-term investment, look elsewhere. If you've got the disposable income to risk on a speculative bet and are aware of the risks involved with such red-hot stocks, only then would I take a chance on Score Media or HIVE Blockchain, which have been skyrocketing higher for two very different reasons.

### TheScore

Score is in a unique spot, with its front-row seat to the single-game sports-betting market, which was given the green light back in November. The [lucrative market](#) could be worth between US\$3.8 billion and US\$5.4 billion, according to the firm's estimates. I think the market could be worth a heck of a lot more if this pandemic drags on into 2022, and gamblers find themselves stuck at home for longer.

The business has a great management team, and there's a lot to love about the story at this juncture.

That said, the valuation makes me cringe. It's one of the most expensive stocks you'll run across, with a price-to-sales (P/S) multiple north of 115!

That's expensive, but it's expensive for a reason. Personally, I'd wait for a steep pullback below \$4 before considering initiating a position.

## **HIVE Blockchain: Blasting off on the back of Bitcoin**

HIVE Blockchain has been on an epic run, blasting off hand in hand with Bitcoin. Like other commodity miners, the cryptocurrency miner can be seen as a levered way to play the price of cryptocurrencies like Bitcoin and Ethereum. When Bitcoin prices crashed back in late 2017, HIVE stock led the downward charge, shedding around 95% of its value from peak to trough.

If you're a raging bull on Bitcoin and think prices are headed past US\$100,000, then sure, HIVE stock can offer you greater upside. But if you have no idea where prices are headed next and don't want to get caught offside when the herd deems it's time to take profits, I would avoid HIVE and opt for owning Bitcoin itself or **The Bitcoin Fund**, which tracks the price of Bitcoin without needing you to set up any wallet.

Personally, I'm not touching anything remotely related to cryptocurrencies and would encourage investors to exercise extreme caution if they're keen on exposing themselves to Bitcoin or any other cryptocurrency.

## **Both momentum stocks are way too hot to handle**

The momentum could reverse immediately after you've purchased shares, so if you're comfortable with waking up to a double-digit percentage down day tomorrow, only then would I touch shares of either hot stock at these levels. And if you're keen on either play, please only bet what you're willing to part with. I don't want to see you left holding the bag once the game of greater fools (that's based on the greater fool theory, not us Fools here at the Motley Fool Canada!) comes to a crashing halt.

If I had to pick between Score and HIVE Blockchain, I'd have to go with Score because I'm a huge fan of the longer-term growth story and like that its stock isn't being propelled by the price of an underlying asset, such as cryptocurrencies like Bitcoin, that have a propensity to crash.

Stay cautious, my friends.

### **CATEGORY**

1. Coronavirus
2. Investing
3. Stocks for Beginners
4. Tech Stocks

### **TICKERS GLOBAL**

1. TSXV:HIVE (Hive Blockchain Technologies)

## **PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

## **Category**

1. Coronavirus
2. Investing
3. Stocks for Beginners
4. Tech Stocks

## **Date**

2025/07/29

## **Date Created**

2021/02/17

## **Author**

joefrenette

default watermark

default watermark