



Bullish on Bitcoin? 1 Stock With Even More Potential Than HIVE!

Description

Over the past year, Bitcoin has been one of the top-performing assets. This is creating many opportunities for stocks in the space, such as **HIVE Blockchain Technologies** ([TSXV:HIVE](#)).

Bitcoin has had times of rapid growth before. However, each time the sector sold off, and investors eventually forgot about the digital coin. This time around, things feel much different.

Many investors and bulls have made wild claims about the digital coin's significant potential in the past. And while that all seemed like it was just wishful thinking, massive target prices are becoming a lot more common these days.

There are many reasons that are combining to give the cryptocurrency the significant momentum it has. This is creating huge momentum for investors owning Bitcoin and even more from mining companies like HIVE stock.

Why Bitcoin is so promising

When Bitcoin was created, it wasn't long after that investors and companies started to see the potential of blockchain technology. This has sparked a tonne of innovation, and thousands of other crypto projects have sprung up as a result.

It's more than just Bitcoin's technology, though, that's creating the incredible momentum in the digital asset.

Investors are also desperately searching for any assets that can protect them from inflation. The massive spending over the last year by governments was vital. Unfortunately, it is bound to create strong inflationary pressures.

So, investors and businesses alike have been increasingly buying Bitcoin to avoid that risk. It's not just investors from developed nations, too. The pandemic has exacerbated poorer countries and their collapsing local currencies. Being able to own digital currencies for many people around the world is

key to their livelihoods.

Then there is Bitcoin halving. That's when the rewards paid out to miners get cut in half. Miners like HIVE stock are crucial to the operation of the blockchain. With Bitcoin having a fixed supply, though, to continue to pay out miners, the rewards are continuously halved over time.

These events push the price of Bitcoin up tremendously. The most recent Bitcoin halving event occurred in May 2020. Bitcoin also sees a natural increase in price when the whole sector is rallying. This is because it's one of the top trading pairs in the cryptocurrency space. Often, when you want to buy other cryptocurrencies, you need to own Bitcoin first.

And lastly, when you combine all of these reasons, you end up with a massive snowball effect. This leads to even bigger momentum attracting more people and continuing to snowball into massive growth.

And while HIVE has tracked the price of the digital coin quite well, albeit being a lot more volatile, it's actually not the best stock to buy if you're more bullish on Bitcoin than other cryptos.

A better Bitcoin stock than HIVE

HIVE stock is a great choice for investors because it offers exposure to a few of the [top cryptocurrencies](#) rather than just Bitcoin. In my view, that's a better choice, as it offers investors diversification and helps to reduce risk.

However, if you're more bullish on Bitcoin than any other cryptocurrency, it might make more sense to gain exposure to a company that solely mines the most popular cryptocurrency.

BitFarms (TSXV:BITF) is a stock much like HIVE. However, it only mines Bitcoin. Therefore, BitFarms will have a better performance than HIVE if Bitcoin outperforms some of the other top cryptocurrencies.

One big risk for investors to consider, however, is that Bitcoin mining is highly competitive. Companies have to continuously spend to ensure their operations are staying competitive.

This adds quite a bit of risk to an already risky investment. So, if you're buying one of these miners for the long term, make sure you keep up to date with the operations consistently.

And if this is too much risk for you, you can always consider a popular [Bitcoin ETF](#), which is a much more straightforward investment.

Bottom line

Bitcoin continues to offer investors a great place to diversify from traditional assets during these times of heightened uncertainty.

It also continues to offer incredible long-term potential. So, whether you choose HIVE stock, BitFarms, or a lower-risk way of gaining exposure, years down the line, you'll certainly be glad you did.

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