



Bullish on Bitcoin? Hive Stock Is an Intriguing Top Pick

Description

Following its impressive run in 2020, Bitcoin continues its upward trend this year. This incredible appreciation has investors rallying behind [cryptocurrency plays](#), either buying the cryptocurrency directly and holding it in a wallet or investing in Bitcoin [ETFs](#).

However, Bitcoin miners happen to be another great way investors are getting leverage to these rising prices. Here's why Canadian investors looking for ways to play Bitcoin might want to consider **Hive Blockchain Technologies** ([TSXV:HIVE](#)).

Why is HIVE so interesting?

Despite being massively popular, Bitcoin still divides investors into two groups. They are either all-in on crypto or want nothing to do with it. I find very little in the way of middle ground in this sector. Currently, it appears the former group is reaping the benefits of this highly volatile asset today.

Anyone following the recent Bitcoin mania may be induced by the “get-rich-quick” theme that’s pervasive in the media. Indeed, this is a risk Foolish investors ought to resist at any cost. There’s fundamental long-term investing, and then there’s gambling.

Accordingly, given the volatility in Bitcoin, this is a high-risk bet. For those convinced cryptocurrencies are the future, perhaps the risk is worth the potential reward.

For such investors, Hive is certainly an intriguing option. The cryptocurrency miner focuses on mining both Ethereum as well as Bitcoin. Both tend to trade in high correlation, so there’s not really a lot of diversification value here. However, it’s about as pure a play on crypto as investors can get.

Government regulation risks on the horizon

In a conference hosted by the Committee on Payments and Market Infrastructures, Federal Reserve Chair Jerome Powell said that Central Bank Digital Currencies (CBDCs) need to coexist with federal

cash in an innovative, flexible payment system. In fact, he referred to a report by the Bank for International Settlements and seven central banks, where a roadmap was discussed with respect to how cryptocurrencies could exist in a regulated fashion.

Now, although CBDCs differ greatly from cryptocurrencies as they exist today, this information is very intriguing. To solve issues with cross-border payments and managing funds, Federal agencies are looking at decentralized currencies. Accordingly, Bitcoin could be the flag-bearer. This speech has reignited interest in Bitcoin by central bankers. This is a good and a bad thing. On the one hand, Bitcoin investors like this decentralized system because it's just that — decentralized. On the other hand, this news provides broad legitimacy to cryptocurrencies today.

Regulation wouldn't be a good thing for Hive investors. Indeed, this is just one of a myriad of risks the sector faces right now.

However, it doesn't take away from the fact that investors seem to like this stock. For those with the inclination to invest in Bitcoin, this is certainly one of the ways many Canadian investors are doing so today.

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