



## HIVE Blockchain Stock's Epic Rally May Not Be Over

### Description

Vancouver-based cryptocurrency miner **HIVE Blockchain** ([TSXV:HIVE](#)) was unstoppable in 2020, as Bitcoin continued spreading its wings across the globe. With shares of the cryptocurrency miner blasting off an unprecedented 6,700%, bringing HIVE stock up from its \$0.10 per share trough to \$5 and change, where shares sit today. The unprecedented momentum took a major breather in February and March 2021, plunging 40% from its January peak to its March trough before partially bouncing back.

### To the moon and back again

All it took was a year, and HIVE Blockchain went from a beaten-down penny stock to one of the more compelling miners in the crypto world. It's been an epic climb, and it may not be over, as Bitcoin and other cryptocurrencies continue their ascent towards new highs. Bitcoin's adoption is surging. More vendors are accepting it as a means of transaction, and more investors, like ARK Invest's Cathie Wood, are investing heavily in it.

### Bitcoin and HIVE stock are an asset class of their own

Some people view it as a gold replacement; others see it as an alternative for bonds. Ultimately, I think cryptocurrencies will trade like a stock, and a volatile one at that! While Bitcoin does exhibit some similarities to gold (unproductive with no intrinsic value), I think investors must understand that Bitcoin and its miners are an asset class of their own, for which there are no real suitable comparables. And with that, many uncertainties remain, most notably whether cryptocurrencies are in a bubble.

Just because it looks and smells like a bubble doesn't mean it is one, especially given the wider adoption of the asset. I have no idea if Bitcoin and HIVE Blockchain stock will have another vicious sell-off comparable to the 2017-18 crypto crash. Regardless, I think it's only prudent for crypto investors to acknowledge the uncertainties and only invest with the expectations that you're going to be in for some serious turbulence.

Bitcoin has had several crashes. The crypto miners like HIVE stock were hit with amplified pain. The most remarkable thing about HIVE is that it lost 95% of its value only to post a full recovery in three years. That's the kind of volatility you're going to have to deal with. So, don't bet what you're not willing to part with, especially if you have no idea how the blockchain even works.

Just because the volatility in Bitcoin has calmed down in recent months does not mean anything less than a turbulent ride is to be expected from the crypto miners.

## HIVE Blockchain stock: The best way to bet on Bitcoin's rally?

Fellow Fool contributor Stephanie Bedard-Chateauneuf is [bullish](#) on Bitcoin and thinks that HIVE stock is a better way to bet on the cryptocurrency. She highlighted **JP Morgan's** [US\\$130,000 price target](#) (that implies Bitcoin prices could more than double), noting that HIVE will offer the "greatest growth potential with lower risk" than Bitcoin itself.

I agree with Stephanie in that HIVE stock is a better way to get more upside from Bitcoin's move towards the six figures. That said, I'm not so sure that HIVE is a "lower-risk" way to play Bitcoin.

HIVE may be a best-in-breed miner with low costs of Bitcoin and Ethereum production. That said, miners will always be more volatile than the commodities they mine, so the case for HIVE being the riskier investment is strong.

In any case, I view HIVE as the better instrument to trade if you're hungry for big gains and think Bitcoin will hit the US\$130,000 mark. If the cryptocurrency trade sours, though, be ready for pain!

### CATEGORY

1. Investing
2. Stocks for Beginners

### 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. Investing
2. Stocks for Beginners

**Date**

2025/09/30

**Date Created**

2021/04/09

**Author**

joefrenette

default watermark

default watermark