



## Think Bitcoin Will Bounce? HIVE Blockchain Stock May Be the Horse to Bet On

### Description

Bitcoin has been holding [strong](#) for many months now, solidifying the cryptocurrency as a legitimate asset and not just a modern-day version of tulip mania. With Bitcoin prices on the cusp of eclipsing the US\$60,000 mark, many Canadians are likely giving in to the temptation by starting up their own crypto wallets to get in on the action.

Many brilliant people, including Warren Buffett and Charlie Munger, view Bitcoin as a colossal bubble that could implode at any time. While I'm unsure as to whether it's a bubble on the cusp of bursting, I think that investors keen on gaining some crypto exposure ought only to bet what they're willing to lose. Bitcoin is wildly volatile, and I don't think it will hold up very well if federal regulators were to mull banning the cryptocurrency while punishing its miners.

### Bitcoin: A great asset to trade but a questionable long-term investment

Personally, I think speculating on Bitcoin or any other cryptocurrency is a great trader's playground. You can certainly make a quick buck if you get the timing right. That said, I don't see any practical uses of Bitcoin, even as more vendors accept it as a means of transaction. It's too volatile, and frankly, I think it's one of the worst ways to transact, given potential tax implications.

As an investment, I think its limited track record makes it unworthy of replacing gold and any other inversely correlated asset. While it may exhibit some similarities to gold, I ultimately believe that it's yet to prove itself as a substitute, especially given its propensity to trade like a stock when a market crash strikes.

## HIVE Blockchain stock is the best way to trade cryptocurrencies

If you're going to trade cryptocurrencies, I'd argue that **HIVE Blockchain** ([TSXV:HIVE](#)) stock may be the best way to do it.

Miners of any commodity are essentially levered-up ways to play the price of an underlying commodity. Well-run miners with low mining costs are capable of giving shareholders more bang for their invested buck. While HIVE stock introduces more volatility on top of an already ridiculously volatile asset, I think that near-term traders looking to play a Bitcoin pop to US\$100,000 would stand to realize more gains in such an explosive upside move.

HIVE is a great miner, with low costs of mining. That said, even the best miner on the planet will not be immune from a meltdown if prices of the underlying commodities were to implode. Just look back to what happened to HIVE stock and other cryptocurrency miners the last time the trade soured. From the 2017 peak to the 2019 trough, HIVE stock lost around 98% of its value. If you held on, though, you recouped your losses and then some, as HIVE went from being worth a dime per share to nearly \$7 — a 6,700% move in just over a year.

## Bitcoin's next move? Nobody knows

Now, I have no idea what Bitcoin will do next. If you believe it's headed to \$100,000, HIVE stock is a play that could post a multi-bagger upside move. There's considerable political risk involved with betting on crypto at these heights, however. I believe that the longer you hold, the worse things will be, making crypto or HIVE stock a better [trade](#) than something, like gold, to hold for decades.

Should federal regulators consider banning Bitcoin, another 2018-19 catastrophic crypto implosion could happen. So, please, don't bet what you're not willing to lose!

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