



Bitcoin Meltdown: 2 Canadian Stocks to Buy Instead

Description

Bitcoin is not like gold after all, following its meltdown in May 2021. Another [brutal month](#) is possible in June, given the diminished investors' interest plus the start of crackdowns in the cryptocurrency space. The latest disturbing news is a few hundred cases of crypto scams reported from the UAE in the Middle East.

The [highly volatile nature](#) of Bitcoin is on full display again. As of June 7, 2021, the world's most popular digital currency traded at US\$36,514.79 — or 42.5% lower than its peak of US\$63,503.46 on April 13, 2021. Analysts at **JPMorgan** say the shift away from Bitcoin and the departure of institutional investors back to traditional gold is happening.

Canadian investors shouldn't take the developing events lightly. Bitcoin is a hazardous proposition. Unlike cryptos, the stock market is red hot in June 2021. If you're chasing superior returns, **HIVE Blockchain Technologies** ([TSXV:HIVE](#)) and **Capstone Mining** ([TSX:CS](#)) could deliver.

Blockchain stock

Some cryptocurrency analysts believe Ethereum could unseat Bitcoin from the throne. Despite a tumultuous May, miners of the second most popular digital asset reported a 40% increase in revenues versus the previous month. Aside from Bitcoin, HIVE is a top Ethereum and Ethereum Classic miner.

The \$1.12 billion cryptocurrency mining company operates building blocks of blockchain infrastructure. These data centres are in Canada, Iceland, and Sweden. Management's continued strategy is to hold coins and store them in cold wallets. The current value of its crypto assets is roughly US\$79 million.

Since HIVE is the first publicly listed blockchain infrastructure company, it enjoys the first-mover advantage. Its mission is to bridge blockchain and cryptocurrencies to traditional capital markets. Also, investors must focus more on blockchain technology that has far-reaching applications across many industries in the future.

As of June 4, 2021, HIVE trades at only \$2.99 per share. However, the trailing one-year price return is

an astronomical 686.6%. Had you invested \$5,000 a year ago, your money would be worth \$39,342.11 today.

Copper miner

Capstone Mining is a high flyer on the TSX with its 124.8% year-to-date gain. The mining stock currently trades at \$5.35 per share, although the trailing one-year price return is 643.1%. Market analysts recommend a strong buy rating and see the price hit \$7.70 (44%) in the next 12 months.

The \$2.13 billion base-metals producer from Vancouver has two copper-producing mines. Besides Pinto Valley in the U.S. and Cozamin in Mexico, Capstone owns 100% of a large-scale copper-iron-gold project in Chile. The company is undergoing transformational growth through projects in Chile and Mexico.

In Q1 2021 (quarter ended March 31, 2021), Capstone's total revenue increased 189.9% to \$204.1 million versus Q1 2020. Notably, net income during the quarter was \$127 million compared to the \$21.9 million net loss in the same period last year.

The other milestones include a 34.6% increase in copper production and a 61.8% increase in copper sales. Furthermore, Capstone achieved a record operating cash flow of \$95 million in Q1 2021. But the best news is that the company is debt-free!

Doubtful recovery

The Bitcoin rally at the beginning of 2021 was phenomenal. But now, recovery from the catastrophe is doubtful. The world's two largest economies are pressing hard. Financial institutions in China can't offer services for crypto trading while the U.S. Treasury warns of speculative crypto trading.

CATEGORY

1. Investing
2. Metals and Mining Stocks
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1. TSXV:HIVE (Hive Blockchain Technologies)

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