



## Is HIVE Stock a Better Bet Than Bitcoin After its Latest Pullback?

### Description

**HIVE Blockchain Technologies** (TSX:HIVE), or HIVE stock for short, has been stuck in limbo over the past several months amid Bitcoin's latest pullback. Elon Musk's flip-flopping tweets have moved cryptocurrencies in a big way in recent weeks.

Add growing concerns over a crypto mining crackdown into the equation, and you've got the formula for renewed [volatility](#). With Bitcoin bottoming out in the low US\$30,000 levels, many hungry Canadian investors may be wondering if now is a good time to punch their ticket to Bitcoin, Dogecoin, or any other cryptocurrency that could make one rich over a very short timespan.

While the recent pullback may be viewed as a buying opportunity by some, I wouldn't dare touch the recent bounce off 2021 lows. Why?

### What really scares me about Bitcoin's chart

Bitcoin may be paving the way for a very ominous technical pattern — the head-and-shoulders reversal. It's tough to evaluate Bitcoin, given it lacks intrinsic value. As such, I go purely by the technicals. And it's my opinion that Bitcoin's technical picture couldn't be uglier going into the summertime.

"Just when investors were ready to throw in the towel on Bitcoin, it bounced back to flirt with the US\$40,000 levels. It's this latest bounce-back that has me most concerned about where the cryptocurrency could be headed next, however." I wrote in a [prior piece](#). "If Bitcoin can sustain a near-term rally above US\$40,000, perhaps towards US\$50,000, an ominous head-and-shoulders top pattern could be in the works. And if it comes to fruition, many Bitcoin investors could see their 2020 gains get wiped out without a moment's notice. While I may not be a technical analyst, Bitcoin's chart does scare me."

The latest rally in Bitcoin confirms my greatest fears.

Today, Bitcoin is just shy of US\$39,000 per coin. While the rally could continue towards the US\$50,000

mark, I think that such a rally could follow a vicious, unforgiving decline. So, if you're keen on adding to your Bitcoin or HIVE stock exposure at this juncture, I'd much rather wait for the technical picture to become less ominous. There's a high chance that the head-and-shoulders pattern in Bitcoin may never come to fruition. But I'd only dare place a bet after such a pattern were to fail, even if it means having to buy in at much higher prices.

## What does Bitcoin's ominous technical picture mean for HIVE stock?

HIVE is one of the best cryptocurrency miners on the planet. It operates in some of the coldest (think places like Iceland) environments with some of the lowest energy costs out there. With a focus on renewable energy use, HIVE is a step above many miners in the space.

Still, any substantial decline in Bitcoin or Ethereum could mean continued pain for HIVE stock. However, given the latest round of worries are surrounding the nature of energy used to mine cryptocurrencies, I'd argue HIVE stock could face less downside than Bitcoin itself.

While I view HIVE stock as a better bet than Bitcoin, I wouldn't look to get in at these levels. I'd much rather wait for either more favourable technicals in the underlying tokens HIVE mines or much lower prices.

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