



Dogecoin vs. Hive (TSX:HIVE) Stock

Description

Dogecoin investors are posting memes around “HODL” (hold on for dear life) and buying the dip. Some investors are waiting patiently on the red colors they see on the trading screen in hopes that Dogecoin will return to the moon. And some are selling the coin, as their patience is running out.

One thing you must have noticed is that patience is not quite the strength of Redditors. Holding a coin for two months is not being patient. It takes years of holding to master the art of passive investing. While I can't be sure about the coin, patience with **Hive Blockchain Technologies** ([TSXV:HIVE](#)) could be rewarding.

Life when investing in Dogecoin

Dogecoin is highly [volatile](#) and prone to regulatory risks. The coin surged to an unprecedented level when Elon Musk started tweeting Dogecoin memes during the lockdown. But the coin dipped 60% from its May high, as China banned crypto mining and trading. China is an important link, as it mines more than 70% of BTC and Dogecoin in circulation.

The other major problem is the cryptocurrency has no entry barrier. A decent developer can build a cryptocurrency in a matter of days. Rome wasn't built in a day, but Dogecoin was built in two days. In just two months of Dogecoin mania, there was a Dogecoin killer Shiba Inu coin and many more.

And lastly, Dogecoin has little utility if it doesn't get mass acceptance. The “hodlers” believe that Dogecoin will become the future digital coin, but it is too early to vouch for that. It could be another bubble or another treasure. I have a neutral stance on this.

You can buy the dip and HODL it. But invest only what you can afford to lose, as the life of Dogecoin is hanging to a cliff. A 30-40% upside and downside are pretty normal in crypto. Investing in it will only increase your anxiety. The social media noise will impact Dogecoin.

Life when investing in Hive stock

If you want to have exposure to the crypto mania and don't want to take anxiety pills, invest in Hive. Hive is one of the oldest crypto mining companies. No, it doesn't mine Dogecoin, but it mines Bitcoin and Ethereum — some of the more stable and sophisticated cryptocurrencies.

If you invest in Dogecoin, you have no other alternative. But with Hive, its stock price moves in tandem with BTC and ETH, giving you exposure to their price volatility in the comfort of your Tax-Free Savings Account (TFSA). Hive is a blockchain technology company, and its stock trades on TSXV.

Hive's stock price is determined by BTC and ETH prices. This is because the company stores the BTC and ETH it mined in inventory. Whenever it needs money, it sells these coins. Moreover, Hive also earns revenue for validating the transaction on the blockchain.

In the worst-case scenario, BTC and ETH may lose their value if regulators ban them. Hive will face huge inventory write-off, but it will still have the data farms and graphic computing capacity that it can use for artificial intelligence (AI), blockchain computing, and graphics rendering.

Like AI, blockchain technology has endless possibilities. Hive needs to explore them. And for that, it is [investing](#) in a fund that invests in blockchain companies.

The verdict

No doubt Dogecoin could become the next currency, but that is its only upside. And many variables need to be addressed before it becomes a legal currency. Hive has many alternatives, and the biggest one is BTC. Hive can not only give you exposure to multiple cryptocurrencies for just \$3.05 but also to the blockchain revolution.

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