



2 Stocks to Buy Instead of Bitcoin

Description

Bitcoin's [meltdown](#) in May 2021 is a cause for concern if you own the crypto. The volatile nature of the popular digital currency emerged once more after a blazing start this year. According to Stephen Kelso from ITI Capital, speculative reports suggest that Bitcoin could soon drop further to \$20,000.

As of June 19, 2021, Bitcoin trades at US\$35,562.86, which is 44% lower than its peak of US\$63,503.46 on April 13, 2021. **Tesla** CEO Elon Musk isn't helping any with his tweet that Bitcoin mining is environmentally damaging. His car company will reconsider accepting the digital currency as payment until miners confirm it has a reasonable clean energy usage.

Besides the alleged harm to the environment, the decentralized structure and lack of central authority give it an [image of notoriety](#). Fortunately, risk-averse Canadians have better alternatives to Bitcoin. The gains are not as astronomical, although they could still be more substantial than the average returns.

Blockchain technology

Somehow, the popularity of Bitcoin lends credibility to blockchain technology. The technology drives greater transparency across the global digital information ecosystem. CB Insights estimates spending on blockchain solutions to reach US\$16 billion by 2023.

In the stock market, **HIVE Blockchain Technologies** ([TSXV:HIVE](#)) should benefit significantly from increased adoption down the road. The \$1.15 billion company mines cryptocurrencies like Bitcoin and Ethereum. It operates data centres in Canada, Iceland, and Sweden, where the mining takes place. Moreover, green energy power HIVE's cryptocurrency mining facilities.

HIVE is a pure-play blockchain investment. While it also assumes the volatile nature of Bitcoin, it serves as a proxy or alternative to the digital currency. At the current share price of \$3.05, investors are up 27.62% year-to-date. The trailing one-year price return is 824.24%.

The first publicly listed blockchain infrastructure company operates in an emergent industry. Would-be

investors gain exposure to the operating margins of digital currency mining, as well as a portfolio of crypto coins.

Consecutive quarters of record revenue

Tecsys ([TSX:TCS](#)) trades at a discount thus far in 2021. Its current share price of \$40.89 (-17.8% year to date) is a good entry point. The trailing one-year price return is 77.78%. Market analysts recommend a buy rating for the tech stock. They see a potential upside of between 35% and 71% in the next 12 months. It also pays a modest 0.63% dividend.

The \$591.48 million company from Montreal operates in the supply chain technology realm. Many organizations across several industries require a well-managed supply chain to reduce operating costs and drive profits. Tecsys' solutions and services can address those needs and provide end-to-end supply chain visibility.

In Q3 fiscal 2021 (quarter ended January 31, 2021), the \$31.9 million was a new high and eclipsed the \$26.8 million record in Q3 fiscal 2020. Tecsys also posted \$1.8 million in profits versus \$0.8 million in the same period last year. Another glowing number was the 20% increase in gross profit.

Tecsys President and CEO Peter Brereton said, "Our performance for the third quarter of fiscal 2021 continues to reflect momentum in the market for Tecsys solutions." It was also the eighth straight quarter that management reported record revenue.

Shortcomings

Bitcoin's recovery in 2021 remains hazy. The latest drawback is the World Bank's rejection of El Salvador's request to help them set up Bitcoin as a legal tender. According to a spokesperson, WB can support the digital currency due to its environmental and transparency shortcomings.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:TCS (Tecsys Inc.)
2. TSXV:HIVE (Hive Blockchain Technologies)

PARTNER-FEEDS

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