



Why Did Hive (TSXV:HIVE) Stock Surge Over 4%?

Description

Hive Blockchain Technologies ([TSXV:HIVE](#)) stock surged more than 4% today, even when Bitcoin price fell 2.75%. The stock surge as the company [joined](#) the **NVIDIA** ([NASDAQ:NVDA](#)) Partner Network (NPN) Cloud Service Provider program. This shows that Hive is serious about exploring its options in cloud computing.

Hive explores cloud computing opportunities

Hive has agreed to purchase NVIDIA's data centre graphic processing units (GPU) worth over US\$66 million. Before now, Hive used GPUs to mine Bitcoin and Ethereum at its data center farms in Canada, Sweden, and Iceland.

But the regulatory crackdown by China and United Kingdom has got Hive thinking, and it decided to diversify its revenue streams. Hive has a large capacity for high-performance graphic computing. Graphic cards act as accelerators that boost computing power.

Hive, in its last earnings, stated that it is exploring other GPU applications like artificial intelligence (AI), graphic rendering, and private blockchain computing. Since then, it has invested in Alpha Sigma Capital Fund that finances those companies working on various applications of blockchain technology. Its latest partnership with Nvidia strengthens its move from diversifying beyond crypto mining into cloud computing.

Many companies across different verticals use Nvidia's GPUs for AI and graphic needs. Nvidia is at the forefront in autonomous driving, PC and cloud gaming, and AI at the edge. Nvidia is already a market leader in the discrete GPU space, supplying the most advanced hardware to the top cloud companies.

The cloud computing opportunity

ResearchAndMarkets.com expects the global cloud computing market to grow at a compound annual growth rate (CAGR) of 17.5% in the 2020-2025 period. Even **Microsoft**, **IBM**, and **Amazon** are eyeing their cloud computing services for growth as their core business stagnates. Until now, IT, telecom, banking, finance, and insurance service (BFSI), and media and entertainment were the

leading users of the cloud.

But the pandemic has accelerated digital business transformation, encouraging more enterprise customers to put their business on the cloud.

Moreover, the growing internet penetration and the [5G](#) rollout are building an infrastructure where AI at the edge will become a reality. The proliferation of the internet of things (IoT) and autonomous vehicles will need all possible AI capacity.

How Hive can leverage GPU computing

Hive currently earns revenue by selling BTC and ETH in the market and hosting computing capacity to miners. Hive can use its data centre farms to host GPU computing to enterprises. For instance, **BlackBerry** uses Amazon Web Services for its IVY platform.

The enterprise cloud computing services will bring steady cash flow for Hive. And whenever another crypto-mania comes, it will have sufficient BTC and ETH inventory to act as a crypto ETF.

Foolish takeaway

I am bullish on Hive not because of its crypto exposure but rather its move into other AI and blockchain avenues. Even Warren Buffett, who despises BTC, is bullish on the possibilities of blockchain technology. If you invest in Hive today, it holds the potential to grow your money multiple folds in the next [five years](#).

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2. TSXV:HIVE (Hive Blockchain Technologies)

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