



## Forget Bitcoin: Why HIVE Stock Could Outperform

### Description

**Hive Blockchain Technologies** ([TSXV:HIVE](#)) has been a [polarizing stock](#) of late. Indeed, given the rise of Bitcoin in recent years, Bitcoin miners and blockchain plays are among the top stocks investors have sought out of late. Layer on top a favourable growth environment, and this is a recipe for a roaring [bull market](#) and insane growth.

That said, Hive's stock price has been on a wild ride of late. Since hitting a high of more than \$7 per share, HIVE stock has more than halved. Investors can now buy into Hive at around \$3.20 at the time of writing.

While Hive is certainly a high-risk play, this is a stock that also offers an outsized reward. Let's take a look at the bullish argument of why Hive could potentially outperform from here.

### Blockchain has tonnes of long-term upside potential

The rise of Bitcoin over the past decade has truly been incredible. Indeed, investors who bought these digital tokens years ago and just held them have done very well for themselves.

However, the underlying blockchain technology supporting these digital tokens often doesn't get enough attention. As a pure-play blockchain play (and a Bitcoin miner), Hive benefits from the rising value of both the cryptocurrencies themselves as well as the blockchain ecosystem.

Of course, this higher leverage to crypto prices is great in good times. However, this sensitivity also works in the opposite direction. And as we can see with where Bitcoin prices have gone of late, Hive's stock price has understandably underperformed in recent months.

That said, investors who believe crypto may have bottomed may want to consider higher-leverage options like Hive to bet on this sector. These higher-risk, higher-reward plays are suitable only for those with the highest risk tolerance preferences out there.

However, given the speculative nature of crypto in general, one might suggest that investors tend to fall

into the “go big or go home” category. Accordingly, companies like Hive could outperform if another leg of this crypto boom takes hold at some point in the near future.

## Bottom line

Generally speaking, investors shouldn't bet more than they can afford to lose on any investment. There's an inherent risk in buying any stock. However, buying a high-leverage play on Bitcoin prices could be considered one of the riskiest investments on the market today.

That being said, allocating a small percentage of one's holdings to such high-risk, speculative plays can work over the long run. As long as investors are betting on what they can afford to lose entirely, perhaps the upside is worth it.

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### TICKERS GLOBAL

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