

As Crypto Crashes, Should Investors Consider Hive Blockchain Stock?

Description

Investing in the most <u>innovative technologies</u> has produced unseemly results in recent years. Indeed, crypto and blockchain plays have outperformed the broader market by a wide margin. For investors in **Hive Blockchain** (TSXV:HIVE) and Hive Blockchain stock, these returns have been incredible in recent years.

That said, cryptocurrencies have been crashing of late. For crypto miners like Hive, this isn't a good thing. Companies that derive a significant percentage of their revenue based on where crypto prices are (or are headed) certainly don't like the trend crypto is headed in today.

However, the question remains as to whether these are good buy dip opportunities today. Indeed, should crypto rebound at some point, perhaps now is the best time to buy miners like Hive. Given the fact this stock is now down more than 60% from its 52-week high, this could indeed be a great time to buy.

On the other hand, many investors may be wary of the volatility of these investments. And that certainly makes sense.

Let's dive into the bull case and bear case for Hive.

Bulls: Time to load up on Hive Blockchain stock

Buying the dip has become a popular phrase in the crypto community. Indeed, these assets are volatile. However, crypto enthusiasts are quick to remind their peers that these have (so far) only gone in one direction – up.

Accordingly, the recent dip in Hive Blockchain stock could be viewed as an <u>excellent buying opportunity</u>. Having exposure to a company with such tremendous leverage to Bitcoin and crypto prices, in general, can be a scary thought, in the near term. However, investors in Hive Blockchain stock seem to be okay with the fact this stock has taken a breather of late.

Those bullish on the future of crypto have the potential to get into a Bitcoin miner at a valuation that's dramatically lower than where we saw earlier this year. Those aggressive speculators looking for quick, life-changing returns may have a viable reason to consider this stock.

Of course, investing is a long-term game, and we don't promote short-term get-rich-quick schemes here. However, those thinking truly long-term and able to hold through the volatility certainly can make the case now would be a good time to consider Hive Blockchain stock.

Bears: Steer clear at any cost

The flip side of the bullish argument is that there's simply no price some investors will be willing to pay to handle the volatility of these investments. Indeed, even if Hive Blockchain stock were to double, triple, or quadruple over the next five years (hypothetically speaking), the short-term massive dips could be enough to keep many investors on the sidelines.

The fact that Hive Blockchain stock has lost more than 60% of its value in a very short amount of time is indicative to many investors of the reasons why this stock isn't widely owned.

Indeed, there's a divergence among the type of investor willing to own a speculative play like Hive Blockchain stock. However, the market likely will fall somewhere in the middle.

Where this stock goes from here is anyone's guess. However, investors not intent on taking an established position on one side of the fence are likely better off staying on the sidelines.

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