



A Pivotal Month for Bitcoin Is Coming

Description

Unpleasant news threatens Bitcoin (BTC) and the cryptocurrency ecosystem. A \$1 trillion bipartisan infrastructure bill in the U.S. Senate proposes imposing stricter tax rules on digital assets. While the digital currency topped \$40,000 again in late July 2021, panic persists among crypto loyalists.

Due to extreme volatility, investors might have to move away from [crypto or blockchain stocks](#) like **HIVE Blockchain Technologies** ([TSXV:HIVE](#))(NASDAQ:HVBV). Meanwhile, [tech stock](#) **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) could benefit from BTC's uncertainties.

Steps to become a mainstream asset

The proposed infrastructure bill requires crypto brokers to report specific information about crypto transactions. This requirement is in addition to the mandated reporting to the Internal Revenue Service (IRS) of transactions worth more than \$100,000.

According to the *Washington Post*, Republican Senator Rob Portman said the legislation wouldn't force non-brokers (software developers and crypto miners) to comply with IRS reporting obligations. Anjali Jariwala, the founder of Fit Advisors, said the bill would impact crypto exchanges, not individual investors.

Jariwala added that the regulations should be for the good, because an industry as big as crypto can't continue operating without regulation or oversight. She said the first necessary step for cryptos to become a mainstream asset is to be more ingrained in mainstream financial services.

Growing Bitcoin miners

HIVE mirrors BTC's movement. The price has gone up to as high as \$6.80 on February 19, 2021. When BTC started to decline, so did this blockchain stock. As of August 5, 2021, HIVE trades at \$3.65 per share, or 46.3% lower than its peak. Still, investors are up +52.72% year to date (YTD).

The \$1.37 billion public Canadian mining firm is an option for exposure to BTC or cryptocurrencies. HIVE ordered 4,000 mining machines recently to capitalize on the enormous opportunities in a fast-growing industry, according to machine supplier Canaan Nangeng Zhang. The number of HIVE's new Bitcoin miners will increase to 10,400 this year.

Based on current BTC and Ethereum prices, management said HIVE generates \$550,000 in daily income, an annual run rate of \$200 million. However, HIVE filed a management cease trade order (MCTO), because it has yet to complete its fiscal 2021 report (year ended March 31, 2020). The CEO, CFO, directors, and the rest of the management can't trade shares during the period.

Security software and 5G Android phones

BlackBerry investors enjoy a 54.62% YTD gain. The current share price of \$13.05 is 103% higher than a year ago. Had you invested \$10,000 on August 5, 2020, your money would be worth \$10,131.99 today.

The \$7.30 billion company has transitioned from a smartphone maker to an intelligent security software and services provider. BlackBerry has forged partnerships with public and private entities, including the Canadian government, **Amazon** Web Services, and automotive manufacturers.

The most recent development is the possible return to the smartphone space. News reports say OnwardMobility, an American brand, and BlackBerry are working on a 5G Android phone. The Passport 2 is still a fan-made concept, but it should bring back the nostalgia and become of its [growth drivers](#).

Pivotal months

August 2021 and the months to come are pivotal for Bitcoin and the crypto world. Carter Henderson, a portfolio manager at Fort Pitt Capital Group, said, "We don't advise any of our clients to go into it." Besides an unknown space, Henderson said the asset class's volatility doesn't fit the risk profile of wealth management clients.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSXV:HIVE (Hive Blockchain Technologies)

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