



HIVE Stock (TSXV:HIVE) — Boom or Bust?

Description

The cryptocurrency market created an offshoot of several companies for Motley Fool investors to consider. Some of these [options](#) indeed seemed safer given that Bitcoin and other currencies seemed to ebb and flow so radically. Instead of taking on risks, you could look for blockchain companies that mine cryptocurrency.

One such company is **HIVE Blockchain Technologies (TSXV:HIVE)**(NASDAQ:HVBV). Once a mineral miner, the company has since changed tactics to become a [cryptocurrency](#) mining company in Canada, Sweden, and Iceland, focusing mainly on Ethereum and Bitcoin. But given the volatile situation involved with cryptocurrency right now, perhaps it's time to consider whether HIVE stock is a good option for your portfolio.

But first, what *is* blockchain mining?

Hey, we all have to start somewhere, and blockchain technologies are [complicated](#). So before we dig into whether HIVE stock can make it, let's see what it does in the first place.

Bitcoin mining is like the tech sector's solution to the gold rush. Instead of camping out near a lake starving and getting trench foot, you can sit in front of your laptop and mine this way. But it's not that simple. To find Bitcoin and others to put into circulation — as you would if you mined for gold — you have to perform incredibly difficult math problems on sophisticated computers.

Furthermore, similar to gold mining, mining for cryptocurrency companies like HIVE stock is costly and *difficult*. It takes forever, and you're only rewarded sometimes. So while you may not get trench foot, you may end up with carpal tunnel syndrome. But still, if you're one for puzzles on the computer, it may well be something you'll want to look into if you haven't already.

What about HIVE stock?

That's why a company like HIVE stock is a good option. It digs for cryptocurrency so you don't have to,

sells it on the market, and continues to grow Bitcoin, Ethereum, and others. And while you may take a long time to dig up cryptocurrency, HIVE stock is really, *really* fast at it.

In fact, HIVE stock recently announced it achieved its goal of achieving one exahash in Bitcoin mining. The hash rate is the speed of a computer taking in information and turning it into letters, numbers, or symbols, known as a “hash.” The combined hash speed for HIVE stock is therefore one *quintillion* hashes per second.

But it's not stopping there. HIVE stock aims to achieve over three exahashes by the end of fiscal 2022, which will also include Ethereum. This is helped by adding almost two thousand miners across the country, and from the more chips and equipment from global shortages and COVID-19 related problems.

The numbers

All this is super interesting and pretty fun to read about, but what about the numbers themselves? That's the issue here. Investors haven't received a financial update from the company since December 2020. But if we look at its share growth along with Ethereum and Bitcoin, we can get some idea of where it's headed. And indeed, the company is doing well, listing on the **Nasdaq** back in July.

The company has taken on more and more cash, adding miners and equipment in the process to take on this current cryptocurrency boom. In the last year, Ethereum has increased by 820% and Bitcoin by 343%. In that time, HIVE stock has also increased by 838%, quite the feat!

In the case of HIVE stock, it does provide investors with at least an investment option into the biggest cryptocurrency options out there. And given that it's tied to these booming sectors and for such a cheap share price, it might be a good idea to take a small stake.

So the option is up to you. But whether HIVE stock will boom or bust, only time will tell.

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