



2 Stocks to Buy if Bitcoin Hits Rock Bottom

Description

2021 has been quite a strong year for Bitcoin as well as other cryptocurrencies. The king of the crypto realm grew to the new peak of US\$63,000 in April 2021, and even though it couldn't stay near the peak for more than a few months, the crypto also hasn't exactly cratered yet. The worst was the fall to the US\$30,000 pit, but it bounced back immediately.

If we consider the most recent fluctuations in Bitcoin's value, the chances of the crypto tanking look quite slim, especially if you are waiting for the crypto to fall to a four-digit value. But even if the crypto can fall to US\$20,000 and the probability of it reaching the expected US\$100,000 peak remains high, it might be a great idea to invest in the five-fold growth bet.

But if you are not interested in investing in the crypto itself and you think a direct exposure (through the relevant ETF) might not be a great idea, there are two crypto stocks that should be on your radar.

A junior exchange crypto stock

HIVE Blockchain Technologies ([TSXV:HIVE](#))(NASDAQ:HVBT), thanks to its \$1.26 billion [market capitalization](#), is kind of a big fish in a relatively small pond — i.e., billion market-cap “club” in the junior exchange. This Vancouver-based crypto miner gives its investors exposure to bitcoin's underlying technology: the blockchain.

This is an important distinction because even if Bitcoin fails at or ascends from its status as simply an investment asset, the technology behind it would still remain relevant.

But what you might be more interested in is the growth potential this stock offers, which is significantly more than the crypto you are buying it in lieu of. If you had bought into the company on the first trading day of 2020 and sold it in February 2021 when the stock reached its peak, you would have grown your capital by 6,000%. And even you missed that golden opportunity; the stock is *still* trading at a price 3,100% higher from its early 2020 valuation.

One of the largest miners in the world

Hut 8 Mining ([TSX:HUT](#))([NASDAQ:HUT](#)) holds the distinction of being one of the [largest crypto miners](#) around the globe. The company has already mined and holds about 4,450 Bitcoins. Which, at its current value in CAD, makes up more than one-eighth of the total market capitalization of the company. The company owns and operates about 94 open-air BlockBoxes and has a total contracted power capacity of 2,090 MW.

The company also focuses on Ethereum mining, though the bulk of its contracted power capacity is focused on Bitcoin. Hut 8 Mining stock tracks the value of Bitcoin more faithfully, and it's reflected in its growth. Between the early 2020 and its 2021 peak, the stock grew almost 1,150%. And even though its growth has not been as impressive as HIVE's so far, the company offers a good way to gain a "truer" exposure to the underlying crypto.

Foolish takeaway

Even though both Hut 8 and HIVE are technically stocks, and they shouldn't be as volatile as the underlying asset, that's not the case. They are even more volatile than the other [tech stocks](#), but it's not necessarily a bad thing. If you have a healthy risk appetite, the explosive growth potential these stocks offer could be transformative for your portfolio, especially if you can buy them when Bitcoin tanks.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:HUT (Hut 8 Mining)
2. TSX:HUT (Hut 8 Mining)
3. TSXV:HIVE (Hive Blockchain Technologies)

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