



2 Crypto Assets to Consider if Bitcoin Delivers on its Promise

Description

It's a bit difficult to set a precedent for Bitcoin when it's the cryptocurrency that sets a precedent for most other cryptos. You can't draw parallels from the stock market, because there are no financial fundamentals of the underlying company to monitor and assess the "health" of the asset. Commodities, though influenced by speculation, mostly get their valuation from the demand and supply dynamics of their industry.

So, all you are left with is speculation when it comes to Bitcoin. Many conservative, old-school investors still believe that it's not an asset worth considering. The most optimistic crypto investors and experts place its future peak value at US\$500,000. But if you look at Bitcoin's "promise" from a practical perspective, the US\$100,000 number looks both ambitious and attainable.

In 2021, Bitcoin tried and failed to reach the US\$70,000 mark, and with just a few weeks left till the year ends, the chances of the crypto reaching US\$100,000 seem low. But even if it gets there in 2022, you can still double your capital with Bitcoin by buying now when it's trading just below US\$50,000. And if you don't want to buy the asset itself, which you can't keep in a registered account, there are two crypto stocks you might want to consider.

An Alberta-based crypto miner

Hut 8 Mining ([TSX:HUT](#))([NASDAQ:HUT](#)) has been tracking Bitcoin's rise and fall quite faithfully, and following the recent slump, the mining company has seen its [market value](#) drop by almost 39%. This fall is harder than Bitcoin's own, but if history is any indication, the stock's rise would also be much more significant than Bitcoin's.

The company has two mining centres in Alberta, which allows the company access to a variety of power options, though few of them are purely "green." That's a different ESG/cost balance that many other miners focused on expunging Bitcoin's energy "criminal record" are offering. The company is expected to add a lot of mining capacity in the coming year.

A Quebec-based crypto miner

Unlike Hut 8, **Bitfarms** ([TSX:BITF](#))([NASDAQ:BITF](#)) prides itself in powering its crypto operations (with a total capacity of 106 MW) via [clean hydropower](#). It has five operational sites in Quebec (and one in the U.S.), and five others are in the pipeline, ready to come online. The focus on hydropower is smart not just from an ESG perspective but also from a cost perspective.

Aside from Canada and the U.S., where it's paying about four and three cents on average for every KW of power it consumes, the company has also bought long-term contracts in Argentina to lock in amazing electricity prices. The low-cost mining allows it to bring down the average cost of each Bitcoin mined to about US\$6,900.

Foolish takeaway

Both crypto-focused [tech stocks](#) have slumped following the lead of the underlying asset, and they might offer investors a bit more room to buy when Bitcoin starts spiking again since they usually don't move up as fast as Bitcoin does when it's recovering. So, it's a good idea to keep an eye on them and buy just before the upward trend sets.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. NASDAQ:BITF (Bitfarms Ltd.)
2. NASDAQ:HUT (Hut 8 Mining)
3. TSX:HUT (Hut 8 Mining)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothonman
2. kduncombe

Category

1. Cryptocurrency
2. Investing

Date

2025/08/18

Date Created

2021/12/09

Author

adamothonman

default watermark

default watermark