



1 TSX Stock That Could Turn \$10,000 Into \$100,000

Description

A more than 5,000% return on investment was unimaginable until **Bitcoin** (BTC) came along. The growth curve of the world's most popular cryptocurrency is very steep. From July 2016 to July 2021, the price soared and rewarded investors with a mind-boggling 5,805% return in five years.

Still, BTC and other cryptos remain [speculative assets](#). Regular investors risk losing their money because of extreme volatility. It's like buying a ticket to ride the roller coaster. As of December 25, 2021, BTC trades at US\$50,429.86. The 73.89% year-to-date gain is superb, but you must also look at the price fluctuations since the start of 2021.

TSX growth stock

No stock can match BTC's [parabolic returns](#). However, if you want to gain exposure to cryptos, mainly BTC, your best bet is **Hut 8 Mining** ([TSX:HUT](#))([NASDAQ:HUT](#)). The \$1.86 billion cryptocurrency mining company engages in industrial-scale Bitcoin mining operations.

At \$11.17 per share, investors in this crypto stock are up 220.06% year to date. Had you invested \$1,000 on year-end 2020, your money would be \$3,200.57 today. Chainalysis reported that the global adoption of cryptocurrency in 2021 jumped over 880%, despite the high-risk tag. If the adoption further increases, HUT could turn a \$10,000 investment into \$100,000 (900% return).

Erratic behaviour

BTC started in 2021 below US\$30,000, then soared 71.13% to US\$49,631.24 in two months. On April 11, 2021, the price topped US\$60,000 for the first time, prompting crypto fanatics to rejoice. However, BTC sunk 50.49% to US\$29,807.35 on July 20, 2021. The digital asset regained momentum and peaked at US\$65,992.84 on October 20, 2021. Hence, the share price on Christmas Day 2021 was 23.58% lower.

Hut 8 mirrored the erratic behaviour of BTC for most of 2021. The price soared 226% on March 1,

2021, before it went downhill. Like BTC, HUT regained steam, then peaked at \$19.80 on November 8, 2021. Nonetheless, the year-to-date gain is astronomical.

Investment thesis

Canadians are venturing into the [crypto space](#), perhaps due to the fear of missing out on enormous gains. Also, the TSX holds the distinction of launching the first-ever Bitcoin ETF in 2021. Because of concerns regarding the lack of regulation, Hut 8 has become a viable investment option.

Hut 8, the first digital mining company on the TSX, is also one of the trendsetters in the digital finance revolution. Management brags it has the competitive edge because its Bitcoin holdings are unmatched. Hut 8's primary objective is to bridge the gap between traditional and nascent high-performance computing.

Unlike BTC, prospective investors can review the financials of Hut 8 before taking a position. In Q3 2021, revenue from digital asset mining grew 803.77% versus Q3 2020, a record level. Net income for the quarter was \$23.4 million compared to the \$0.9 million net loss in the same period last year.

On September 17, 2021, Hut 8 completed its NASDAQ listing and raised \$220 million in gross proceeds. Management plans to use the IPO proceeds for business growth, including the purchase of digital asset mining equipment. The Bitcoin miner's ongoing concern is to increase mining capacity. More importantly, cross-listing increases the pool of investors.

Outsized gains

Some market analysts say crypto investing is no longer a niche hobby. Expect Hut 8 to benefit from this growing trend and reward investors with outsized gains.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

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