



3 Falling Crypto Stocks: Should You Buy the Dip?

Description

The [cryptocurrency market](#) marked new milestones in a huge 2021. However, that momentum has petered out in the final months of the year. Today, I want to look at three crypto stocks that have dipped in recent weeks. Should you look to buy the dip ahead of the new year? Let's jump in.

Why the cryptocurrency market is reeling in the final quarter of 2021

[Bitcoin](#) and other top cryptos reached all-time highs in the middle of the spring before succumbing to downward pressure in May. This created yet another entry point opportunity for investors who are enthusiastic about the crypto space. The market would bounce back again in the late summer and gained more momentum in the early autumn.

The decline in digital currencies and crypto stocks can be attributed to several factors. This is a highly volatile market — one that has been susceptible to overheating over the course of 2021. Moreover, the constant threat of regulatory interference has always produced anxiety in this fledgling sector.

Two top crypto stocks that have been hammered in recent weeks

Hut 8 Mining ([TSX:HUT](#))([NASDAQ:HUT](#)) is a Toronto-based cryptocurrency mining company. Its shares have climbed 150% in 2021 as of close on December 29. However, this crypto stock has plunged 37% in the month-over-month period.

The company released its third-quarter 2021 earnings on November 11. Despite volatility for top digital currencies, Hut 8 Mining still achieved record quarterly revenue of \$50.3 million. Meanwhile, it mined another 905 Bitcoin in Q3 2021, which was added to its sizable Bitcoin balance. In the year-to-date period, adjusted EBITDA climbed to \$61.3 million — up from a loss of \$2.03 million in the first nine months of 2020.

Shares of this crypto stock possess a favourable price-to-earnings (P/E) ratio of 17. It last had an RSI of 35, putting it just outside technically oversold territory.

HIVE Blockchain ([TSXV:HIVE](#))(NASDAQ:HVBV) is another crypto mining company that operates in Canada, Sweden, and Iceland. This crypto stock has increased 36% in the year-to-date period. Its shares have dropped 29% over the past month.

In Q3 2021, HIVE also delivered record breaking revenue of \$52.6 million. Meanwhile, net income surged 342% in the year-over-year period to \$59.8 million. Better yet, it mined 656 Bitcoin and 8,688 **Ethereum** for the period ending September 30, 2021.

This crypto stock last had a very attractive P/E ratio of 9.9. HIVE is another crypto stock I'd consider snatching up before 2022.

Here's a Bitcoin-focused ETF that has been volatile since its February debut

Purpose Bitcoin ETF ([TSX:BTCC.B](#)) is the third crypto stock I want to zero in on today. I'm cheating a bit, as this is a Bitcoin-focused [exchange-traded fund \(ETF\)](#). Its shares are still in the red after its February debut.

Bitcoin's demise has been greatly exaggerated many, many times. However, investors need to be cautious, as central banks set their sights on rate hikes in 2022. Reduced liquidity and a tighter market could lead to a crunch for Bitcoin, its peers, and top crypto stocks. I'm less inclined to snatch up this ETF before the new year.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. NASDAQ:HUT (Hut 8 Mining)
2. TSX:BTCC.B (Purpose Bitcoin ETF)
3. TSX:HUT (Hut 8 Mining)
4. TSXV:HIVE (Hive Blockchain Technologies)

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