



In the World of Crypto, These 2 Stocks Stand Out

Description

Bitcoin ([CRYPTO:BTC](#)) had an explosive start to 2021, but its highly volatile nature came out in December. The world's most popular cryptocurrency closed the year below US\$50,000, although it climbed to as high as US\$67,566.83 on November 8, 2021. In the new year, don't expect Bitcoin and other cryptocurrencies to be less volatile.

The [crypto world](#) still lacks regulation and faces scrutiny by governments and central banks. Some market observers predict that Bitcoin's price could decline sharply in the early months of 2022. Others say **Ether** is the better crypto, because it outperformed Bitcoin last year.

Regular investors should pass on Bitcoin and Ether. If you want exposure to the cryptocurrency market this year, **Hut 8 Mining** ([TSX:HUT](#))([NASDAQ:HUT](#)) and **HIVE Blockchain Technologies** ([TSXV:HIVE](#))([NASDAQ:HVB](#)) are the logical choices. While the crypto-related stocks mirror Bitcoin's wild price swings at times, they are safer alternatives.

Industrial-scale Bitcoin mining

Hut 8 Mining delivered [parabolic returns](#) in 2021. The crypto stock finished the year at \$9.93 per share for a total return of 184.53%. Note, however, that the price zoomed to \$19.80 on the day Bitcoin hit its all-time high. Market analysts recommend a buy rating and forecasts an [upside potential](#) of 93.85% (\$19.85).

This \$1.86 billion company engages in industrial-scale Bitcoin mining operations in two sites (Drumheller and Medicine Hat) at Alberta. According to management, Hut 8 has successfully navigated the bull and bear Bitcoin market cycles. Currently, it holds the highest number of self-mined Bitcoin in North America.

In Q3 2021, Hut 8 generated \$50.3 million in revenues, a whopping 874% increase versus Q3 2020. The net income for the quarter reached \$23.4 million compared to the \$900,000 net loss in the prior-year period. Management said it raised \$220 million in gross proceeds from the cross-listing on the NASDAQ in September 2021.

Hut 8's mining capacity should increase further when its third mining site goes online soon. The facility in North Bay, Ontario will have 35 MW of capacity and should enable Hut 8 to generate power using a blend of by-product steam, hydrogen and natural gas. Its CEO, Jaime Leverton, said, "This third location demonstrates our commitment to sustainable technological innovation."

HODL strategy

HIVE Blockchain Technologies's primary goal is to bridge the blockchain and cryptocurrencies to traditional capital markets. It's also the first publicly traded crypto miner. The stock's total return in the last three years is 1,082.14% (127.12% CAGR), although the return last year was only 38.49%. As of December 31, 2021, the share price is \$3.31.

This \$1.43 billion company mines digital currencies such as Bitcoin, Ethereum, and Ethereum Classic. Apart from enjoying a first-mover advantage, HIVE is a low-cost operator, because it has access to low-cost green or renewable energy. Its mining operations are in Canada, Iceland, and Switzerland.

HIVE creates long-term shareholder value with its unique "hold-on-for-dear-life" (HODL) strategy. The company only sell mined coins at the best price for maximum profits. In Q2 fiscal 2022 (quarter ended September 30, 2021), revenue from digital currency mining increased 305% versus Q2 fiscal 2021 due to higher cryptocurrency prices.

Risky investments

Crypto investing is for people with high-risk appetites. Avoid Bitcoin and other digital assets in 2022 if you can't afford to lose your money.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

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

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