



2 Crypto Stocks That Have Been Hammered: Should You Buy the Dip?

Description

The [cryptocurrency space](#) has been hit hard in the opening month of 2022. This space has extended losses that it sustained in the final weeks of the previous year. The spot price of **Bitcoin**, the world's largest digital currency, fell below US\$40,000 for the first time since the [sharp pullback](#) in the summer of 2021. Unsurprisingly, crypto stocks have also suffered. Today, I want to look at two top crypto stocks on the TSX that have been hammered. Should you look to buy these equities [on the dip](#)? Let's dive in.

Here's why these crypto stocks have suffered to start 2022

Hut 8 Mining ([TSX:HUT](#))([NASDAQ:HUT](#)) is a Toronto-based cryptocurrency company. Its shares have plunged 23% month over month as of mid-morning trading on January 26. However, this crypto stock is still up 49% in the year-over-year period.

In Q3 2021, Hut 8 Mining delivered its third consecutive quarter of record revenue, rising to \$50.3 million. It delivered adjusted EBITDA of \$61.3 million in the year-to-date period — up from an adjusted EBITDA loss of \$2.03 million in the previous year. Mining profit also increased to \$70.5 million over a loss of \$539,000.

HIVE Blockchain Technologies ([TSXV:HIVE](#))([NASDAQ:HVBT](#)) is another crypto miner that operates in Canada, Sweden, and Iceland. This crypto stock has dropped 28% over the last month. That has pushed HIVE Blockchain into negative territory year over year.

Like its crypto mining peer, HIVE Blockchain also delivered record revenues in its most recent earnings release. It generated record revenue of \$52.6 million — up from \$45.0 million in the first quarter of fiscal 2022. Meanwhile, its Bitcoin and **Ethereum** holdings totalled nearly \$75 million to close out the second quarter.

Are we headed for a crypto winter?

Cryptocurrencies have been hit hard, as investors look ahead to a potential slew of rate hikes this year.

This space has thrived on the liquidity that has sprouted during the COVID-19 pandemic. The threat of a reversal on monetary policy appears to have spooked crypto bulls.

At the same time, investors should be very familiar with Bitcoin's volatility at this stage. The crypto space suffered a big reversal in the middle of 2021 before rebounding in the second half of the year. Investors should closely monitor the impact that a rate hike will have on crypto and equity markets in the first months of 2022. That could give us insight into how crypto stocks will respond for the remainder of this year and beyond.

Should you buy the dip in these crypto stocks today?

Investors can expect to see Hut 8 Mining's fourth-quarter 2021 earnings on March 23, 2022. HIVE Blockchain will likely unveil its results in early March.

Shares of Hut 8 Mining currently possess a favourable price-to-earnings ratio of 13. The stock was up nearly 10% in mid-morning trading today. It last had an RSI of 37, putting it just outside of technically oversold territory. HIVE Blockchain is another crypto stock that boasts a very attractive P/E ratio of 7.3. It is also trading near oversold levels at the time of this writing.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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. aocallaghan
2. kduncombe

Category

1. Investing

Date

2025/08/18

Date Created

2022/01/26

Author

aocallaghan

default watermark

default watermark