



Why Crypto Miners Could Be Big Winners for the Rest of 2022

Description

The internet is flooded with tales of [cryptocurrencies](#) turning investors into millionaires. But with more than 8,000 crypto tokens circulating in the space, it is certainly difficult to pick which tokens will be the long-term winners. For top cryptocurrency **Bitcoin** ([CRYPTO:BTC](#)), there are two main ways of obtaining exposure — mining tokens or buying tokens on the secondary market. Thus, crypto miners are a key area of focus for Bitcoin investors.

When Bitcoin started out, it really was a truly decentralized space. Folks set up mining rigs in their basements, and earned rewards (which weren't worth much, when Bitcoin was an early-stage project). However, as those Bitcoins gained value, miners reaped big-time rewards.

Today, most mining is done by large-scale, industrial miners. Hundreds of millions of dollars are needed to set up state-of-the-art mining facilities. Accordingly, the vast majority of today's Bitcoin mining comes from large corporations.

Given Bitcoin's decline of late, most crypto miners have seen similar volatility. However, for Bitcoin bulls, perhaps the latter part of 2022 could provide a bullish backdrop.

Let's look at why these stocks may be ones to consider right now.

A look at three potential crypto miners

Marathon Digital ([NASDAQ:MARA](#)) is looking forward to becoming one of the biggest crypto miners in North America. This company's growth strategy focuses on improving its hash rate to ramp up production and limiting business risks by becoming more defensible against potential BTC price plunges.

MARA recently took two giant leaps. Firstly, it announced the acquisition of 78,000 Antminer S19 XP machines that totaled \$879 million. Each of these can deliver roughly 140 TH/s, or 10-11 EH/s in total. The second is the formation of a three-way joint venture between Marathon, Compute North, and an unnamed green energy supplier from Texas.

The price of BTC has begun to come back, surging from lows around \$33,000 to around [\\$45,000](#) at the time of writing. Rising Bitcoin prices have resulted in rising valuations across the Bitcoin mining sector. Besides MARA, **Riot Blockchain** ([NASDAQ:RIOT](#)) and **Bit Digital** ([NASDAQ:BTBT](#)) are the other two players looking strong at the moment.

A few days back, Riot came up with its monthly operational update. Last month, it mined 458 Bitcoins — a 252% year-over-year increase and a 7.8% rise from December. And the reason for this rise is that it's constantly adding more mining power.

In addition, Bit Digital recently announced an \$80 million financing arrangement a few months back. This announcement, followed by Bitcoin's surge, has led to some impressive near-term performance.

Bottom line

Crypto miners are among the higher-risk, more volatile investments one can choose for their portfolio. However, these stocks also provide tremendous upside in crypto bull markets.

Whether the back half of 2022 will prove to be bullish for Bitcoin remains to be seen. However, these beaten-up stocks may be worth a look at these levels right now.

CATEGORY

1. Cryptocurrency
2. Investing

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2. NASDAQ:MARA (Marathon Digital)
3. NASDAQ:RIOT (Riot Blockchain)

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