



## 2 Crypto Stocks to Buy Despite Bitcoin's (CRYPTO:BTC) Slump

### Description

Negative sentiments still hound the cryptocurrency market, as another tumultuous week comes to a close. **Bitcoin** trades below US\$30,000, and speculators believe it will still bottom out. Guggenheim's chief investment officer Scott MinerD went as far as predicting that Bitcoin is on track to plunge as low as US\$8,000.

Meanwhile, TSX crypto stocks like **HUT 8 Mining** ([TSX:HUT](#))([NASDAQ:HUT](#)) and **HIVE Blockchain Technologies** ([TSXV:HIVE](#))(NASDAQ:HVBT) are in a slump like most [cryptocurrencies](#). Both trade at deep discounts with year-to-date losses of 71%. However, a rebound is possible, even if Bitcoin collapses further.

A bull case cropped up recently following an American banking giant's assessment that Bitcoin is undervalued by 28% and the price could rise to US\$38,000. HUT 8 and HIVE should be screaming buys right now, given the significant upside potential.

### Bull case

On May 26, 2022, **JPMorgan & Chase** released a statement that digital assets and hedge funds are its "preferred" alternative asset classes. Nikolaos Panigirtzoglou, a strategist at the investment bank, said JPMorgan believes that the world's leading digital asset has significant upside potential after its recent fall.

Panigirtzoglou, together with the bank's other strategists, has a price target of US\$38,000, or 28.5% higher than the closing price of US\$29,562.36 on May 25, 2022. Note that Bitcoin is down 36.1% year to date, and the price is 56.2% lower than its peak of US\$67,566.83A on November 8, 2021.

Michael van de Poppe, a crypto trading analyst, said Bitcoin should breach the US\$30,000 level after rising above the crucial US\$29,400 barrier. He added that the next point of resistance is US\$32,800.

## Hold on for dear life (HODL) strategy

Hut 8 is a \$496.43 million cryptocurrency mining company with industrial-scale Bitcoin mining operations. Management reported impressive top- and bottom-line results in Q1 2022, but the crypto stock continues to tank from the extreme volatility of Bitcoin and other cryptocurrencies. The share price is down to \$2.85.

In the three months ended March 31, 2022, total revenue increased 66.7% to \$53.33 million versus Q1 2021. Hut 8's net income for the quarter climbed 191.14% to \$55.7 million compared to the same period last year. Notably, mining profit jumped 88.05% year over year to \$32.9 million. HUT 8's Bitcoin holdings increased 17% to 6,460.

Shane Downey, Hut 8's CFO, said, "We realized strong revenue and profitability while advancing our HODL strategy and are confident that we have the fundamentals in place to serve us for the long term."

## Fastest-growing crypto miner

HIVE has rewarded investors with a 470.91% total return (41.49%) in 5.02 years. However, the price has been falling since the crypto winter began. Nevertheless, market analysts covering the stock recommend a buy rating. Their 12-month average price target is \$25.12 — a 433.33% appreciation from \$4.71.

This \$387.36 million company mines and sells Bitcoin, **Ethereum**, and Ethereum Classic. HIVE's mining operations are in Canada, Iceland, and Sweden. Its executive chairman Frank Holmes said, "Today, we're one of the most profitable and fastest-growing crypto miners in the world."

## Current perspective

Interested crypto investors can read between the lines on the take of Swiss National Bank. Switzerland's central bank said that buying and holding Bitcoin as a reserve currency isn't a problem. But from the current perspective, it said the crypto doesn't meet currency reserves requirements.

### 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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