



## Bitcoin Surges to New Highs: Is Now the Time to Invest?

### Description

Bitcoin keeps soaring ever higher, recently breaking the US\$8,000 barrier, regardless of claims of a [massive bubble building](#) in cryptocurrencies. The digital currency is now worth more than eight times its value at the start of 2017 and has a market cap of over US\$138 billion. That makes it worth more than the third-largest stock in the S&P/TSX Composite Index **Bank of Nova Scotia**. Surprisingly, despite the comments of some notable investors, including the legendary Warren Buffett, who recently claimed Bitcoin can't be valued and is in a real bubble, there are signs it is poised to rocket higher.

### Now what?

You see, while there is every sign of a massive market bubble emerging, including a stratospheric price curve, manic buying, and escalating speculative money pouring into the market, cryptocurrencies are gaining greater recognition. This has sparked an outpouring of initial coin offerings (ICOs), where entrepreneurs design and launch a new cryptocurrency or token.

Total cumulative funding for ICOs by November 6, 2017, had hit US\$3.5 billion, which is a stunning 39% higher than a month earlier and 12 times greater than where it had been at the start of the year. The volume of ICOs is growing at a furious rate with over 40 expected to go on sale between now and the end of November alone.

Interest in Bitcoin and other cryptocurrencies from Wall Street is booming. Traders and analysts are fast jumping on board, while legendary investment bank **Goldman Sachs Group Inc.** ([NYSE:GS](#)) is rumoured to be contemplating establishing a trading desk for Bitcoin and other cryptocurrencies.

Meanwhile, the provider of the world's leading futures and other derivatives, marketplace **CME Group Inc.** ([NASDAQ:CME](#)), has moved to launch Bitcoin futures, which are set to start trading on December 11. This, some proponents argue, will help to alleviate the extreme volatility experienced to date by Bitcoin, but the additional liquidity could magnify it as it has done with many commodities.

Even the largest U.S. bank **JPMorgan Chase & Co.** ([NYSE:JPM](#)) has announced that it will seek to access CME Group's Bitcoin future market. This is despite CEO Jamie Dimon heavily criticizing Bitcoin publicly and describing it as a fraud.

### So what?

Regardless of the volume of money pouring into Bitcoin and other cryptocurrencies, they remain relatively unaccepted as a medium of exchange. That makes any investment essentially a gamble on cryptocurrencies becoming widely recognized mediums of exchange.

Nonetheless, regardless of all the talk of a massive bubble in cryptocurrencies, one thing is clear: the end is not in sight for Bitcoin and other cryptocurrencies, though they remain an extremely high-risk investment. Investors seeking exposure to Bitcoin can obtain it in many ways — the most obvious being by directly purchasing the cryptocurrency, but that comes with a range of issues, including ways to safely acquire and store the asset.

Another is by investing in the **Bitcoin Investment Trust** (NASDAQOTH:GBTC), which provides the greater ease associated with owning shares. It does, however, charge investors an annual 2% management, which eats into returns, and its shares are trading at a greater value than the underlying asset Bitcoin, both of which make it a somewhat [unattractive alternative](#).

There is also the opportunity to invest in Canadian cryptocurrency miner **HIVE Blockchain Technologies Ltd.** ([TSXV:HIVE](#)). It is focused on mining Ethereum, the cryptocurrency with the second-highest market cap after Bitcoin, but it can mine multiple currencies. HIVE's cash flow-positive mining facilities are in a stable low-cost jurisdiction, and it can ramp up activities for a minimal investment. Along with the surge in value of Bitcoin, Ethereum, and other cryptocurrencies, its stock has exploded by 154% for the year to date compared to a massive 698% for the Bitcoin Investment Trust. This indicates that as the cryptocurrency boom continues, its value should rise significantly.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:CME (CME Group)
2. NYSE:GS (Goldman Sachs)
3. NYSE:JPM (J.p. Morgan Structured Products B.v.)
4. TSXV:HIVE (Hive Blockchain Technologies)

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