



## Bitcoin Plunges: Is This the Start of a Selling Frenzy?

### Description

Bitcoin is down 35% since Sunday and up 1,200% since the beginning of this year. In all its up and downs over the last year, [Bitcoin has really felt a lot like a day at the casino](#) — or, I should say, a week at the casino, high on those bubble-like marijuana stocks.

Facetiousness aside, the fact is that there is no fundamental way to value Bitcoin. That was the case yesterday, that is the case today, and barring something dramatic happening, that will be the case tomorrow.

And the fact that Wall Street has launched Bitcoin futures does not legitimize it as an investment vehicle, in my view.

So, Bitcoin is trading off of market sentiment, not a rational catalyst, and it is prone to big volatility and price swings, as we have seen.

So, given this, I continue to stay away from Bitcoin completely. In its place, I continue to look for real fundamental value that we can determine through looking at financial statements, business strategy, competitive advantage, and real market trends and demand.

It is interesting to note that today [gold stocks are rallying](#). Are investors turning to the safe-haven qualities of gold stocks again?

As of the time of writing, gold is trading up \$4.70 to \$1,272 after hitting a low of \$1,222 last December and a high of over \$1,350 back in September.

And although being in a rising interest rate environment is negative for gold, the possibility of market sentiment cooling and investors flocking to gold for a safe haven is a real possibility. And as Bitcoin plunges, this could be the start of investors becoming more cautious and going for safer investments.

Here are two high-quality companies that have made operational improvements over the last few years and stand to benefit greatly should gold rally going forward.

**Agnico Eagle Mines Ltd.** ([TSX:AEM](#))([NYSE:AEM](#)) is a great place to start.

With the company reporting third-quarter results that were well above expectations (EPS of \$0.29 versus expectations of \$0.16), and guidance being increased again, this stock makes a great addition to investors' portfolios.

The stock has a dividend yield of 1%, but the key here is that the dividend was increased by 10%, and the company continues to perform better than its guidance.

So, in my view, Agnico stands to benefit from a shift in investor sentiment toward more stable, risk-averse investments such as gold, as well as from its operational excellence and good organic growth profile.

And for the investor who is looking for perhaps more risk in order for the potential of a higher return, attractively valued **OceanaGold Corporation** ([TSX:OGC](#)) is a good option.

OceanaGold is delivering stellar results on the production side of things as well as on the cost side, as production growth of 9% continues to ramp up and costs remain lower than those of its peer group.

## CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

## TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. TSX:AEM (Agnico Eagle Mines Limited)
3. TSX:OGC (OceanaGold Corporation)

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