



Right on Schedule: The End of Bitcoin!

Description

As was expected by many, Bitcoin has [taken a plunge](#), and not a moment too soon. Those who have invested in the cryptocurrency are in the process of losing their shirts, or are going to over the next few days.

Just as Bitcoin became mainstream, companies such as **Goldman Sachs Group Inc.** ([NYSE:GS](#)) announced that it was setting up a trading desk to service the product, which, after several tumultuous months, finally offered the product some legitimacy. The acts of the “smart money,” which are justified by the actual potential for profit, happened the worst time possible.

Back in the year 2000, one of the biggest hedge funds, whose mandate was to short sell technology companies, closed just as the NASDAQ reached the 5,000 mark and the euphoria of the technology boom finally ran out. Again, sometimes the smart money is not so smart.

In Canada, one of the firms that has been at the forefront of the cryptocurrency movement is none other than **GMP Capital Inc.** (TSX:GMP), which has a lot to [gain](#) from the initial public offerings (IPOs) of many of these companies. In spite of many of Canada’s biggest banks being able to conduct IPOs, those such as **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)), which is currently Canada’s biggest bank by market capitalization, has continued to shy away from this market as it remains unproved.

Clearly, the more conservative institutions have yet to recognize this as a legitimate currency.

Given the large volatility in the cryptocurrency market, these new currencies can be compared to currencies of countries that experience high inflation and/or potentially have unstable governments.

The way investors can benefit from the flight away from currencies like Bitcoin is by purchasing assets that have traditionally been hedges to inflation. In Canada, one of the best gold investments may just be **Goldcorp Inc.** (TSX:G)(NYSE:GG). At a current price close to \$16 per share, Goldcorp is trading at close to tangible book value.

When considering how this security has performed over the past year, the simple moving averages (SMAs) all say the same thing: the stock has bottomed. The 10-day, 50-day, and 200-day SMA have

all been on a downtrend with both the 10-day and 50-day SMAs having caught up to the share price, showing that momentum may have finally started to turn.

In the absence of additional transparency from the cryptocurrency markets, investors may need to steer clear of Bitcoin.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:GS (Goldman Sachs)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Tags

1. Editor's Choice

Date

2025/08/25

Date Created

2017/12/27

Author

ryangoldsman

default watermark

default watermark