



As Bitcoin Meets its Demise, There Is a Silver Lining for Investors

Description

With so many cryptocurrencies going to zero over the past few weeks, investors are finally witnessing the proverbial chickens “coming home to roost.” What started as an astonishing new and revolutionary way of transferring value from one person (or business) to the next has become nothing more than a fad that has, at least for the time, being run its course. The last straw will come once the most popular currency — Bitcoin — reaches a number that is almost worthless.

Similar to companies such as **ebay**, **Paypal**, or **Amazon**, which did not reach bankruptcy during the dot.com recession of the year 2000, Bitcoin will probably make it through this debacle and live to see another day. After all, the technology used to mine (and expand) the currency is revolutionary. Like the internet, which saw its popularity mushroom during 1999 and 2000, leading to substantially better infrastructure for the long term, cryptocurrency will be no different. The only caveat for long-term holders of this currency is the risk that it will (or won't) be adopted by mainstream society in the long run. Lucky for the internet, the result is already well known, and its value has been restored!

For investors who are seeking to invest in an asset that does not have the risk of Bitcoin, the well-known “flight-to-safety” investment remain available. For centuries, investors have stashed their money in gold until the risks of the day have passed. Why would this time be any different?

At the present time, there is the risk of a global trade war between countries and potentially another recession, as the price of oil is increasing once again, resulting in a decline of disposable income.

[A lot can happen.](#)

At a price slightly above \$18 per share, **Goldcorp Inc.** (TSX:G)(NYSE:GG) remains a fan favourite, as the well-known gold miner has momentum clearly running in its favour. To make this investment more compelling to those [seeking refuge](#), the tangible book value per share remains above \$20 (depending on the foreign exchange rate). As a reminder, the shiny metal is priced in U.S. dollars.

Investors may also want to take a good look at shares of **Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:ABX). At a price slightly above the \$17 mark, Barrick offers investors the same type of insurance: a high amount of tangible book value per share. Essentially, the increasing price of gold is making the mines

owned by both these names more valuable.

The good news for investors is that the momentum for Barrick is also starting to move in the right direction. The only caveat is that shares are well under the 200-day simple moving averages, which will act as a ceiling for further upside. Of course, a higher price of gold will make it much easier for shares to break out!

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