



Bitcoin Is on Life Support: Bet on Blockchain Tech With This Stock in 2019 Instead

Description

Last week Fool contributor Andrew Button asked the question: [is bitcoin dead](#)? As of this writing, bitcoin was trading below the \$4,000 mark. This is a sharp year-over-year decline considering it was worth over \$10,000 per coin in early December 2017.

Other cryptocurrencies like Ethereum and Ripple have also suffered sharp declines in 2018. Crypto valuations soared to absurd heights in late 2017 and early 2018, but international regulations have also played a key role in dimming the outlook for digital currencies. The recent G20 summit appeared to pave the way for unified global cryptocurrency regulations that will likely take shape sometime in the next decade.

Also noteworthy was the open embrace of blockchain technology, which nearly every nation seemed to agree was a technology that required further development. Cryptocurrencies will remain a volatile asset class as we move into 2019. Investors looking to invest in the exciting tech that enables bitcoin and other cryptos do have other options.

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is one of the two largest banks in Canada. Shares have dropped 5% in 2018 as of close on December 3. A global stock market sell-off hurt valuations for Royal Bank and its peers this fall, but its fourth-quarter and full-year report was mostly positive.

Back in May, I'd discussed Royal Bank's [investment in blockchain technology](#). In a March patent application, Royal Bank outlined a platform built on the blockchain that would generate credit ratings using a customer's historical and predictive data. Royal Bank currently holds the second-most blockchain patents, behind only **Bank of America**.

In October 2017, **JPMorgan** unveiled its blockchain-based payment system, the Interbank Information Network (IIN). It started with two major participants; Royal Bank of Canada and New Zealand Banking Group Limited. Since then the project has attracted more than 100 new banks, including **National Bank of Canada**.

According to a report from the *Financial Times*, the IIN project is now producing results at scale. The project will enable transactions that are often held up by compliance issues or resolve errors to be processed almost instantly. Although the early results are promising, banks have added that IIN is not expected to generate significant savings.

Umar Farooq, head of blockchain at JPMorgan, says that the technology is more likely to lead to new products for banks down the line. In an era in which traditional branch banking is declining, faster transactions and applications are in high demand. Indeed, JPMorgan is confident that the technology will enable banks to fend off competition from up-and-coming fintech firms.

Blockchain technology is still a minor development at a glance, but its potential is intriguing as we move into 2019. Royal Bank is an early adopter and is worth considering for those who want exposure without splurging on many of the riskier ventures in the North American market.

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