Forget Bitcoin! This Market Crash Could Be An Opportunity To Make A Million

Description

With the Bitcoin price having fallen by over 80% in the last year, many investors seem to be wondering if now is the right time to buy the virtual currency. While this is a noble aim in terms of trying to buy an asset after it has declined since it could offer a more favourable price, the reality is that the stock market may offer a stronger long-term investment opportunity.

This is due to the inherent challenges associated with investing in Bitcoin, in terms of its lack of fundamentals and real-world application, as well as the long-term growth potential which a range of stocks currently offer. Therefore, investors may be better off forgetting Bitcoin and buying stocks right now.

Disappointing prospects

Perhaps the most challenging aspect of investing in Bitcoin is its lack of fundamentals. Even after it has declined by 80% in a 12-month time period, investors have no way of knowing if it offers good value for money. The cryptocurrency is dependent upon supply and demand, which its track record of performance shows can change rapidly. And even though it may appear cheap compared to where it was trading a year ago, it is still more than three times more expensive than it was at the start of 2017.

In the long run, virtual currencies could become increasingly prevalent. The world is becoming increasingly digitalised, and a virtual currency seems like a logical next step. However, Bitcoin's limited size could limit its real-world application and restrict its longevity. For investors thinking years ahead, it may prove to be a significant disappointment.

Growth opportunity

In contrast, the stock market could offer an improving long-term investment opportunity. Indices suchas the S&P 500 and FTSE 100 have experienced falls in recent months which could mean that anumber of their incumbents now offer wide margins of safety. History shows that stock market falls arealways followed by rises, and this could provide a recovery opportunity over an extended time period.

Of course, the world economy faces an uncertain future. Investors may be concerned about challenges such as a rising US interest rate, which could choke-off the strong performance recorded in recent quarters by the US economy. Or, the impact of tariffs could be worse than expected, and there may even be the potential for further protectionist policies to come into force over the coming months.

However, the stock market faces continual risks. At any given time there are a number of factors which could hurt world GDP growth and global stock market valuations. Even if there appears to be a lack of known risks, there are always threats which are ‘unknown’ and that could equally lead to a decline in stock prices. As a result, there is never a perfect time to invest. But with valuations now appearing to be attractive, buying stocks for the long term could be a sound move.

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