



## Forget Bitcoin, I Think This Investment Opportunity Can Help You Retire Rich

### Description

Throughout the stock market's history, various opportunities have come and gone that have appeared to be attractive at the time. In many cases, they have soared in value for a period of time, before causing significant losses for investors who were late to the party. One notable example is the dot com bubble, with the internet proving to more of an evolution, rather than the expected revolution.

### Bitcoin

This now appears to be the case with Bitcoin. It surged in value to reach \$20,000 by the end of 2017, with various investors stating that it could move significantly higher. Since then, though, it has slumped by over 80%. This has left a range of private investors nursing heavy losses, with the cryptocurrency showing little sign of delivering a stunning recovery that would see its price rise by 400% just to reach its previous record high.

In fact, the virtual currency could sink by a further 80%, should investor sentiment decline over the near term. Just as the valuations of dot com stocks eventually became impossible to justify given their revenue and profit projections, the price of Bitcoin is based on supply and demand, rather than any track record of performance or real-world value. As such, it appears to be a gamble, rather than an investment, at the present time.

### Stocks

Of course, there are some individuals who consider the stock market to be akin to gambling. After all, it is possible to lose everything that is invested in stocks, should the companies involved go under.

However, steps can be taken to reduce the risk of this happening, with the track record of various indices suggesting that, over time, investors who spread their risk and hold onto high-quality stocks often generate high returns. Certainly, every investor makes mistakes and invests in stocks that ultimately lose them money. Even the very best investors such as Warren Buffett make mistakes. But, crucially, the odds are generally stacked in the investor's favour as a result of stock markets having

adopted an upward trajectory over time.

## Long-term focus

While investing in a [range of stocks](#) for the long term may not sound especially exciting to many people, ultimately it is a tried-and-tested for increasing an individual's wealth. Even buying during the height of bull markets has generated high returns for a range of investors, since major indices have always gone on to recover and post higher highs. In contrast, Bitcoin's price could move sharply in either direction, with it having a track record of being a bubble, rather than a sound long-term investment strategy that can enhance an individual's wealth.

Therefore, while the potential for a speedy recovery from Bitcoin may make it appealing for many people, the stock market could be a far superior option in the long run. The pullback in major global indices such as the S&P 500 and FTSE 100 over the last year could make today an even more worthwhile time to buy a range of high-quality stocks.

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### Date

2025/08/27

### Date Created

2019/03/30

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