



## Bitcoin Is Surging: Should Investors Bet on the Bull Run?

### Description

In late 2018, Bitcoin and other cryptocurrencies reached the bottom of a year-long slump. Cryptocurrencies have been [under assault](#) from regulators around the world since the huge bull run in late 2017 and early 2018. Even smaller firms have pulled support, with fintech companies like **GoldMoney** pulling crypto trading from their platforms.

Crypto enthusiasts have bragging rights today. Bitcoin and cryptos like Ethereum have surged in the spring. In late March, I'd discussed some of the [bullish signs for Bitcoin](#). I suggested that Foolish investors look elsewhere considering the highly volatile nature of cryptos.

Bitcoin bulls have pointed to two factors that are behind its most recent bull run. The first is the worsening U.S.-China trade war. Bulls argue that Bitcoin has fallen back into favour as a digital alternative to gold. Others have argued that anticipation ahead of Bitcoin halving is responsible for the renewed momentum. Rewards for Bitcoin miners will be halved after the mining of the 420,000th block from 25 Bitcoins for miners per block to 12.5. This will reduce the creation of new Bitcoins from 9% down to approximately 4% per year.

Cryptos have suffered from some regulatory headwinds, but some institutions have moved into the sector. **TMX Group** ([TSX:X](#)), which operates cash and derivatives markets for equities, fixed income, and other assets classes, jumped into crypto in early 2018. In March 2018, TMX announced that it would launch a cryptocurrency brokerage that would focus on Bitcoin and Ethereum.

The company released its first-quarter 2019 results on May 9. Difficult market conditions were a drag on TMX's earnings in Q1 2019. Its foray into Bitcoin and cryptocurrency will not have a significant impact on its bottom line considering the still-small slice of the cryptocurrency market relative to regular markets.

TMX stock has been a fantastic hold in 2019 so far. Shares have climbed 29.6% as of close on May17. The stock is up 14.5% year over year. TMX has been a fantastic growth vehicle over the past three years, but the stock also offers a nice dividend. It last paid out a quarterly dividend of \$0.62 per share. This represents a 2.7% yield.

Stocks like TMX are a better bet than Bitcoin, especially for investors who value stability. However, some investors may still want to hold some crypto in their portfolios. For those that do, what can we expect from Bitcoin for the remainder of 2019?

Bitcoin has matured as an asset and is now firmly entrenched in the public consciousness. A regulatory crackdown has hurt its price in the near term, but it has also resulted in a reduced in fraud concerns. Votes of confidence from companies like TMX Group have helped with this perception. Tensions between the U.S. and China combined with a prolonged pause on rates hikes from central banks should put Bitcoin's status as a safe haven to the test.

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