



Forget Bitcoin: Here's a Better Way to Invest \$50,000 in TFSA Funds

Description

"Bitcoin is worthless artificial gold," Charlie Munger once said cunningly.

Just when you thought Bitcoin was finally dead, the recent bout of market-wide turmoil has fuelled another breath of life in the speculative cryptocurrency. While it may be tempting to speculate on Bitcoin as the aggregate appetite for cryptocurrency speculation heats up once again, investors ought to remember that Bitcoin is still an asset that "produces nothing."

Sure, Bitcoin may be considered an "alternative asset class," but with real, tangible alternative assets like gold, you're trading something that has no intrinsic value. By putting a portion of your funds in Bitcoin or any other cryptocurrency that's not backed by anything, you're essentially playing the game of greater fools, and it doesn't matter if you're trading Bitcoins, Ethereum, or tulips.

So, where's the "real" opportunity for investors?

I think investors ought to keep their FOMO (fear of missing out) mentality in check once again, as the "real" opportunity for investors (and not speculators) lies within a red-hot foreign market that the smart money has been doubling-down of late.

As you may have guessed, the investment opportunity I'm referring to lies in the Indian market, a market that Prem Watsa, the Canadian Warren Buffett, is so bullish on that he created a firm, **Fairfax India Holdings** ([TSX:FIH.U](https://www.fairfax.ca/india)) to specialize in the rapidly growing market and give Canadian investors a way to profit from the coming boom in India's middle class.

As you may be aware, Prem Watsa is a brilliant investor with a ridiculously long-term mindset. His discipline, conviction, and patience are admirable, which has led to fantastic results over the prolonged periods. Watsa moved through the Financial Crisis unscathed at a time when most other companies lost over half of their value from peak to trough, thanks to Watsa's exceptional investment skill and his incredible ability to forecast macroeconomic trends.

Watsa's a smart investor, but he's no sage.

He's had his fair share of stumbles over the past few years, but when it comes to achieving excess risk-adjusted returns over long periods, I think Watsa still has the golden touch.

With a [pro-growth government](#) ready to give Indian businesses a jolt coupled with a rapidly expanding middle class, the long-term opportunity to be had in India (particularly in the home finance sector) may be another genius macroeconomic call that could be as applause-worthy as Watsa's bearish view of the U.S. housing markets leading up to the financial crisis.

For now, Fairfax India is a relatively [under-the-radar](#) holding company with a mere \$1.7 billion market cap and ridiculously low trading volumes. Watsa is making a big bet on India's home financing sector, a field that Watsa knows a thing or two about as demonstrated by the success of his hedges in the 2007-08 U.S. housing market meltdown.

In addition, Fairfax India has a sizeable investment in BIAL, India's third-largest airport, a caustic soda producer named Sanmar, and various other businesses poised to profit from the continued proliferation of India's emerging middle class.

If you've got the patience to hold onto an investment for decades at a time, Fairfax India could be a bet that pays off big-time while Bitcoin goes into the history books as one of the biggest bubbles out there.

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