



Bitcoin or Gold: Which Is a Better Investment Right Now?

Description

Ever since Bitcoin's incredible bull run in late 2017, I have [discussed its relationship](#) with another speculative asset: gold. Both assets have surged in 2019 so far. Investors have flocked to alternatives in the face of global trade tensions. The most significant driver has been shifting monetary policy in the developed world. Central bankers have turned dovish in response to slowing growth.

So, what asset is better while we sit at the midway point in July?

Donald Trump's tweets have been known to swing markets, and this time the U.S. president directed his ire in the direction of Bitcoin. "I am not a fan of Bitcoin and other Cryptocurrencies," Trump tweeted on July 11. He described them as "not money" and "highly volatile," while also railing against crypto assets that are used to "facilitate unlawful behavior."

Bitcoin advocates can pick apart Trump's tweet until they are blue in the face, but up until now, the damage has been done. The rout in Bitcoin's price had extended into the early morning of July 15 at the time of this writing. Trump's comments highlight a concern that has fuelled skepticism in cryptocurrencies since late 2017: the spectre of regulation.

GoldMoney ([TSX:XAU](#)) is a financial technology company that operates a gold-based financial services platform. It began offering Bitcoin and Ethereum trading on its platform in late 2017, apparently eager to hop onto the cryptocurrency bandwagon. In late 2017, the platform saw Bitcoin and Ethereum trading outpace gold on its platforms.

A regulatory crackdown on Bitcoin and other cryptos started to intensify throughout 2018. In March of this year, GoldMoney announced that it would no longer host Bitcoin and Ethereum trading on its platform. Back in June, [I'd mentioned Bitcoin's run-up after this decision](#), which may have frustrated some GoldMoney shareholders.

The decision by GoldMoney to abandon cryptos makes sense when we factor in the push from policy makers around the world to enact stricter regulations on the young market. This risk is also a reason to bet on the yellow metal instead.

The spot price of gold broke a key resistance level in June and soared above the \$1,400 mark. **Barrick Gold**, one of the largest gold producers in the world, is one of many gold-based equities that has benefited from this rise. Shares of Barrick have climbed 20% over the past three months at the time of this writing.

The promise of monetary easing has many gold bulls salivating. Central banks in the developed world have strayed from their tightening path in response to slowing global growth and the damaging trade war between the U.S. and China. These factors are driving investors to safe havens. Unsurprisingly, gold is thriving.

A bout of monetary easing should lead to very exciting things for the price of gold. I like Bitcoin to bounce back after Trump's comments, but I like the gold guard more, as investors prepare for this softening monetary environment in the second half of 2019.

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