



## Millennials: Should You Invest in Bitcoin or Cannabis Today?

### Description

The second half of this decade has seen the emergence of two explosive asset classes that have been big draws for millennials. Bitcoin launched in January 2009 and remained something of a novelty for libertarian-minded and anti-establishment investors until a 2017 bull run changed everything. Cannabis is a different story. Its use dates to ancient times, but its entrance into the modern market is a new phenomenon.

Both assets possess unique qualities that may appeal to investors as we look ahead to the next decade. Which is the better bet for millennial investors for the long term? Let's dive in and find out.

### Betting on Bitcoin

The price of Bitcoin surged above US\$20,000 in December 2017. That year saw the price of Bitcoin rise from below the US\$1,000 mark to the US\$20,000 level. Things would turn quickly, however, and Bitcoin halved its value from its high in December 2017 to mid-February 2018. Bitcoin and other cryptocurrencies were targeted by regulatory bodies across the globe in 2018. By the end of the year, prices had fallen back below US\$4,000.

Millennials do not necessarily have to obtain a crypto wallet to gain exposure to this developing market. Stocks like **HIVE Blockchain** ([TSXV:HIVE](#)) are working to provide infrastructure solutions in the blockchain industry. The blockchain is crucial for the operation of crypto trading, and the hype for this technology seemed to grow parallel with Bitcoin and other cryptos.

Bitcoin has enjoyed a second wind in 2019. The price of Bitcoin rose above US\$10,000 again this week after briefly dropping into four-figure territory following negative comments from President Trump. HIVE stock has climbed 47% in 2019 as of close on July 18. [Bitcoin and crypto miners like HIVE](#) have seen increased activity during this bull run.

This asset class has emerged as a digital safe safe-haven, with recent history demonstrating that it is a legitimate rival to gold. Bitcoin is being adopted by more and more payment processors, it boasts low transaction fees, and, in some cases, international transactions are easier than regular currencies.

## The case for cannabis

When the Trudeau-led Liberals won the Canadian federal election in the fall of 2015, cannabis became the hottest investment target in the country. One of the party's key pledges was to pursue recreational legalization — a promise it made good on in October 2018. Investors who got in on the craze early have been richly rewarded, but the shine has worn off the sector past the midway point in 2019.

**Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) is the second-largest cannabis producer listing on the TSX. Shares have climbed 33% in 2019 as of close on July 18, but the stock has dropped 24% over the past three months. Aurora posted fiscal 2020 third-quarter earnings in May, but results missed analyst expectations. This was a common sight for the top producers. Recreational cannabis sales have slipped in the domestic market in 2019.

Companies like Aurora are ramping up production in the second half of 2019. The market has been plagued by low supply after legalization, but this is expected to transition into a glut in the beginning of the next decade. This is the reason large LPs like Aurora are betting big on international markets. And, of course, there is still the prospect of the highly lucrative U.S. market breaking into cannabis on a federal level in the coming years.

## Which is the better choice for millennials?

Bitcoin and cannabis have rewarded investors handsomely in 2019, but the regulatory risks for the former lead me in the direction of cannabis for millennials right now. U.S. Treasury Secretary Steven Mnuchin has warned that “very, very strong” regulations could be on the way for Bitcoin and other cryptos. This is a troubling prospect, one that will likely result in violent volatility going forward.

Cannabis stocks may not offer the kind of explosive growth that we saw several years ago, but the broader market is still positioned to post nice growth into the next decade.

### CATEGORY

1. Cannabis Stocks
2. Investing

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1. Cannabis

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