



Forget the Bitcoin Price! Here's How I'd Invest in Stocks to Make a Million

Description

The strong performance of Bitcoin in 2019 could cause some investors to consider its purchase. After all, it has risen by around 100% in the last 12 months.

However, Bitcoin continues to be a risky asset to hold. It could experience a volatile year in 2020, and may fail to live up to the expectations of some of its bullish holders.

By contrast, the stock market appears to offer [excellent value for money](#) at the present time. A buy-and-hold strategy has historically been a sound means of generating high returns, and could increase your chances of making a million.

Undervalued opportunities

While the global stock market has experienced a decade-long bull run, many shares continue to offer good value for money. This may be because investors have gradually priced in the risks facing global growth. For example, political uncertainty in the US and China, as well as the ongoing trade war between the two countries, may negatively impact on the operating environments of many global businesses in the medium term.

However, stock indexes such as the S&P 500 and the FTSE 100 have always recovered from periods of uncertainty to post higher highs. Therefore, recent weakness in share prices could present a buying opportunity for investors. They may be able to buy companies with solid balance sheets and impressive track records of growth at lower prices. This may lead to higher returns, as well as lower risks, since investors are buying stocks at a discount to their intrinsic value.

Buy-and-hold strategy

After a decade-long bull market, it may be tempting to take profit on some of your holdings. After all, no bull market has ever lasted in perpetuity, and a bear market is never too far away.

However, this may not be the most efficient use of your capital. It may be a better idea to remain invested in equities due to their relative appeal compared to other assets such as bonds and cash. They offer lower returns, and could fail to post positive real-terms returns in the coming years.

As such, adopting a long-term view of the stock market and holding the most attractive shares in your portfolio could be a shrewd move. It may enable compounding to impact on your overall returns, while providing the companies in which you hold shares the time they need to successfully implement their growth strategies.

Bitcoin price

The risks of buying Bitcoin continue to be relatively high. Its limited size and lack of infrastructure may hold back its performance, while regulatory change could cause uncertainty. As such, now may be the right time to pivot from the virtual currency to undervalued shares that are held over a period of many years. This strategy may not seem as exciting as holding the cryptocurrency, but it could increase your chances of making a million.

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