



Bitcoin: Is it Headed for an All-Time High?

Description

This year, Bitcoin has put together its best run since 2017, when it became a household name. In a tumultuous 2020, investors have been looking for alternatives. What is behind Bitcoin's surge? Should you look to other cryptos and [blockchain-linked stocks](#)? Let's dive in.

Why Bitcoin has soared in 2020

At the time of this writing, Bitcoin was trading at just over \$18,716/coin. On December 17, 2017, Bitcoin reached an all-time high of \$19,783.06. It is now well positioned to threaten that all-time high. During the 2017 boom, Bitcoin rose above 1,800% in a single year. However, in 2018 the digital currency party came to a crashing end. From then until 2020, crypto was not able to snag back the momentum it had soared on in that magical year of 2017.

What has caused the surge this year? Sometimes the simplest answer is the best. In 2017, Bitcoin emerged as a legitimate rival to gold in hedging the broad market. Back in December 2019, I'd [suggested](#) that investors should jump on the yellow metal rather than putting faith in cryptocurrencies. Gold did soar to record highs in 2020 in the face of the COVID-19 crisis and extreme economic turbulence. However, gold is retreating, while Bitcoin and its peers are racing back to record highs. Are digital currencies now the better option?

Have cryptos beaten out gold?

Gold equities enjoyed a big boost during gold's bull run in 2020. **Barrick Gold**, one of the largest producers in the world, has seen its stock increase 32% in 2020 as of close on November 20. However, shares have dropped 19% over the past three months. **Kinross Gold**, another top Canadian gold producer, has seen its shares rise 60% so far this year. The stock has dropped 16% month over month.

Meanwhile, Bitcoin has outperformed gold. Weakness in the U.S. dollar has propped both alternatives up in 2020. **Citigroup** recently forecast that the COVID-19 vaccine could force a significant drop in the

value of the U.S. dollar. Moreover, the likely incoming administration of Joe Biden is preparing a massive \$3 trillion stimulus. This could be bullish for both hedges in 2021, but it is hard not to go with the asset with the momentum right now.

Should you look to Bitcoin and blockchain stocks right now?

Bitcoin passed many tests since its meteoric rise in 2017 and its tough drop in 2018. Cryptocurrencies were under assault from regulators in 2018 and 2019 but have managed to gain mainstream appeal as we have entered a new decade. **PayPal** recently opened crypto services to millions of prospective clients.

Investors should not forget about opportunities in blockchain. **HIVE Blockchain Technologies** ([TSXV:HIVE](#)) is a blockchain infrastructure company that bridges blockchain and cryptocurrencies to traditional capital markets. This stock has soared 657% in 2020. In the past, HIVE Blockchain has moved positively or negatively with Bitcoin and its crypto peers. Investors should count on this trend continuing.

Canadians who are looking for blockchain exposure without having to invest in Bitcoin currently should consider HIVE today. The weakening dollar, gold in retreat, and a world shrouded in uncertainty may keep this bull run going for Bitcoin, cryptos, and blockchain-linked stocks.

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