



A \$345 Billion Giant Is About to Bet on Bitcoin!

Description

Bitcoin is trading near an all-time high. It has caught the attention of major investors and massive tech companies this year. Now, demand is so high that experts believe Bitcoin could shoot past its [previous record](#). This seems to have caught the attention of one of the largest asset management firms in the world: Guggenheim Partners.

The Guggenheim Bitcoin bet

With over US\$270 billion (CA\$345 billion) in assets under management, Guggenheim is a titan of the investment world. Its investments are usually focused on real estate, private equity, and fixed-income strategies. Like any other Wall Street titan, Blackrock's approach is highly sophisticated, well-diversified, and low risk.

However, that doesn't mean there's no space for a little adventure. This month, the company filed an amendment with the United States Securities Exchange Commission. This amendment would allow Guggenheim's Macro Opportunities Fund to add Bitcoin exposure. If it's passed, the US\$5 billion fund could put up to 10% of its assets into Bitcoin.

In short, investors should expect nearly US\$487 million to flow into the cryptocurrency from this one fund alone. And it's not the only major investment firm to show interest.

Wave of smart money

Institutional investors, the so-called smart money, have been gradually changing their tone about Bitcoin. Larry Fink, the CEO of **Blackrock**, for instance, called Bitcoin risky and unproven a few years ago. This year, he said the asset could "potentially replace gold" and was going global, which was impacting the value of the U.S. dollar.

Meanwhile, billionaire hedge fund managers Stanley Druckenmiller and Paul Tudor Jones II have already added exposure to Bitcoin. **Visa** partnered with BlockFi to release the Bitcoin Rewards Visa Credit Card, while **PayPal** and **Square** have been adding crypto features, too.

Altogether, there's a wave of interest and money flowing into the market like never before. This surge in enthusiasm could push the digital currency to new heights. The good news is that retail investors like you and I don't need to wait for regulatory approval to start buying.

Buy Bitcoin

You can directly purchase and hold Bitcoin in your portfolio. But for most investors, this may be too technical or too risky. Instead, you could bet on a Bitcoin mining company that is publicly listed in Canada.

HIVE Blockchain Technologies ([TSXV:HIVE](#)) is a good example. The company operates server farms that generate new Bitcoin. Think of it as a digital mining company. Some of the newly generated cryptocurrency is sold at market value to reinvest and expand the business. The rest is held in reserve.

This model means the rising value of Bitcoin magnifies HIVE's value. HIVE's reserves are currently worth millions of dollars. At the end of September 2020, the company reported US\$3.5 million in digital assets, including Ethereum and Bitcoin. This reserve is certainly worth more now that the value of both currencies is on the rise.

Effectively, this stock is a convenient proxy for cryptocurrency exposure. The stock price is up 1,588% year to date.

Bottom line

You can bet on Bitcoin before these major asset managers. Mining stocks like HIVE Blockchain Technologies could be great for exposure.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSXV:HIVE (Hive Blockchain Technologies)

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5. Quote Media
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Date

2025/07/23

Date Created

2020/12/08

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