



## Bitcoin Will Never Replace Gold

### Description

Lately, it's been hard not to notice all the gains Bitcoin has been making. Up more than 150% this year, it's really been on a roll. Just recently, BTC set a record high, trading at over C\$30,000 at one point. As of this writing it was worth \$29,000—down a bit, but still higher than at any point during the legendary 2017 bull run.

All of this renewed interest in Bitcoin has some wondering whether the cryptocurrency will replace gold. In a recent *CNBC* interview, Tyler and Cameron Winklevoss said that BTC would soar to \$500,000. The two brothers have long championed Bitcoin, believing that it will surpass gold as a store of value.

It's an interesting theory. Unfortunately, it's unlikely to be true. As you'll see in this article, gold's uses are completely different from Bitcoin's, making the two asset classes non-interchangeable. Additionally, precious metals, when used as currencies, serve a different purpose than cryptocurrency. While Bitcoin may eventually reach a market cap comparable to gold's, it won't fully replace it. The following are the two main reasons why.

## Gold's use cases are completely different from Bitcoin's

One big difference between gold and bitcoin is how they are used. Gold is used mainly for three purposes:

- As a store of value
- Jewelry
- Manufacturing (e.g., electronics)

Bitcoin, by contrast, is only used as a store of value and as a medium of exchange for digital transactions. It overlaps with gold on one use case only, but not for the other two.

## Bitcoin isn't useful in a disaster scenario

One big reason Bitcoin won't replace gold is because it's not useful in a major disaster scenario that knocks out electricity. In the event of a financial system collapse, or a war, people could use gold to barter for goods and services. Without a working electrical grid, Bitcoin would not be able to be used for this purpose.

A big reason people get into gold is because it could be used as a currency after a major catastrophe wiped out modern civilization as we know it. The same can't be said of Bitcoin, which *depends* on all of the infrastructure of the modern age in order to exist.

## A way to get Bitcoin exposure

Despite all of the points raised in this article, many experts believe you should get some Bitcoin in your portfolio. It is a new, emerging asset class after all, and it is being taken seriously by major financial institutions.

One way you could get BTC exposure is through a crypto stock like **HIVE Blockchain Technologies** ([TSXV:HIVE](#)). HIVE is a crypto miner that mines BTC, ETH and other cryptos in climate controlled data centres. The company puts its servers in regions with naturally low temperatures, reducing cooling costs, which helps HIVE increase its profit margins on its crypto mining operations.

This year, HIVE has been experiencing major growth. It generated \$1.8 million in earnings in the first quarter, and [\\$9.2 million in the second](#). This is largely due to the rapid appreciation seen in the price of BTC this year. The higher Bitcoin soars, the better HIVE does, so it should come as no surprise that HIVE stock is [up more than 1,000%](#) in the market this year.

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