



Warren Buffett: Don't Let Cryptocurrency Ruin Your TFSA. Buy This 1 TSX Stock Instead

Description

Cryptocurrencies have rallied sharply in 2020. **Bitcoin** — the most popular cryptocurrency — has risen by nearly 300% this year. These [outstanding gains](#) have attracted equity investors' attention. Canadians have limited options to invest in cryptocurrencies with their Tax-Free Savings Account (TFSA). They have to take an indirect route by investing in cryptocurrency-based funds rather than directly buying digital assets like Bitcoin, **Ethereum**, et cetera.

But before you invest in cryptocurrencies...

Before you make your final decision to invest your hard-earned money in cryptocurrencies, I hope you remember what Warren Buffett — a world-renowned investor — has to say about them.

The 90-year-old Buffett has spent his life understanding and implementing investing principles. He has been consistently making money from the market for decades. His portfolio continues to beat the broader market returns by a wide margin. That's why, when it comes to investing, you've got to listen to Buffett at least once.

Warren Buffett hates cryptocurrencies

The Oracle of Omaha has criticized cryptocurrencies — including Bitcoin — in public on many occasions. In fact, he called cryptocurrencies “mirage” and “not a currency” earlier this year, in a [CNBC interview](#). According to Buffett, cryptocurrency “has no value,” and he doesn't wish to own it ever.

It was not the first time he bashed this type of digital asset. In 2018, he referred to Bitcoin as “probably rat poison squared.”

Whether or not you like Warren Buffett's investment philosophy, it's completely up to you. However, when he talks about Bitcoin and other cryptocurrencies in general, you might want to pay attention, as he's a very practical man and speaks from his experience.

Great stock for your TFSA

The year 2020 has been extremely rough for most businesses from across sectors. During the COVID-19 driven lockdown phase, experts were expecting the banking industry to face immense troubles. However, some large banks, such as **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) and **Royal Bank of Canada**, proved such speculations wrong. While the pandemic headwinds affected these banks' personal banking operations, their capital markets and investment banking segments saw exponential volume growth.

For example, TD Bank's wholesale banking segment net income rose to \$486 million in the final quarter of fiscal 2020. It was about \$326 million higher from its net income in the same quarter of the previous fiscal year. The bank's wholesale segment revenue jumped up by 48% on a year-over-year basis to \$1.3 billion. As a result, TD Bank's total revenue rose by 6% in Q4 2020 from a year ago.

Currently, TD Bank offers an attractive 4.5% dividend yield — that would keep adding more money to your TFSA each year. Despite its impressive results, its stock is down by 2% on a year-to-date basis. You can expect its stock to soar in the coming months, as its core banking operations gradually recover.

Bottom line

Overall, TD Bank would be a great stock to buy and hold in your TFSA for the long term. If you want to keep your TFSA contributions safe, it's important to wisely pick your investment choices. Or else cryptocurrencies' temporary glee might wipe out the hard-earned money that you've been saving for years to make your financial future more comfortable.

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