



## Forget Bitcoin? Buy Now: The Sky Is the Limit!

### Description

Bearish sentiment has been absolutely punished of late. Investors who have bought value stocks in the energy sector or other beaten-up areas of the market have been killed. Investors that stuck with growth sectors like technology, cryptocurrency, and electrification have seen their portfolios balloon.

The sky is the limit for these stocks, or so it seems. My [prediction](#) of \$50,000 for Bitcoin in the near-term looks like a near certainty right now, given the momentum behind this trade.

I think we're in the new era of technological dominance. Stocks that are the wave of the future will do well. Those that are anchored in the past will underperform. Investors have moved from looking at historical fundamentals to where stocks will be in 30 years. This long-term approach to equity analysis has flipped traditional cash flow analysis on its head.

In this context, here's one of the key ways investors are buying into cryptocurrencies for those bullish on these assets.

### The Bitcoin Fund

One of the most popular vehicles to trade cryptocurrencies is **The Bitcoin Fund** ([TSX:QBTC](#)). This fund closely tracks the price of Bitcoin. Consequently, those checking the price of Bitcoin on the daily want to trade this fund for direct exposure to Bitcoin prices.

This stock is one of the easiest ways to gain exposure to cryptocurrencies without exposing oneself to certain risks. Exchanges and other means of holding cryptocurrencies have been fraught with problems. Accordingly, this fund solves many of these problems.

### Risks do exist, so trade carefully

Cryptocurrencies are unregulated by nature. These assets are difficult to understand, and a significant portion of the upside of these assets is tied to speculation. The bottom could fall out at any time.

That said, any investor willing to load up on technology stocks at these levels should have no problem with cryptocurrencies. I would always suggest investors trade carefully. Cannabis stocks and other technology companies with sky-high valuations are just as risky. Holding these stocks as part of a well-diversified portfolio is fine.

Investors that go overboard may be due for a rude awakening.

## **Diversify and only hold as much as you're willing to lose**

As with any high-flying investment, one looking to generate out-of-this-world returns ought to ensure their portfolio is well diversified. Holding too much of any asset class is dangerous. Putting far too many eggs into highly risky baskets like cryptocurrencies could be catastrophic.

Ensure you're only investing/speculating what you can afford to lose. Set an exit target as well. Knowing when to get out of these investments is just as important as getting in. Failing to take profits can be disastrous, if the tides turn.

When momentum plays like cryptocurrencies turn sour, things can reverse course very quickly. These investments are only for the most risk-loving investors, so if you're unwilling to take a big loss, don't venture in these murky waters.

That said, for those well-diversified investors that have a high-risk "play-money" portfolio, go for it. The Bitcoin Fund has been a good tool to approximate the price of Bitcoin and is an excellent way to make this trade.

### **CATEGORY**

1. Investing

### **POST TAG**

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### **TICKERS GLOBAL**

1. TSX:QBTC (The Bitcoin Fund)

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### Date

2025/08/18

### Date Created

2021/01/02

### Author

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