



Bitcoin vs. Gold: 3 Ways Crypto Could Replace Gold

Description

Investors consider gold as one of the safest, if not the safest, investments. Throughout history, the world's most precious metal is the symbol of wealth. People seek the safety of gold when there's a recession or an economic downturn loom. Similarly, it's the perfect hedge against inflation.

The beauty of gold is that it retains its value much better than currency-backed assets. However, the price fluctuates due to supply and demand pressure. At present, prices are moving sideways and sometimes falling sharply. Gold's lustre may be dimming now that another asset is upstaging the yellow metal.

Bitcoin (BTC) is [gaining tremendously](#). Gold was having a good 2020 until it lost momentum in July. Inversely, the world's most popular cryptocurrency value rose 65% in the same period and is still soaring in 2021. Predictions are swirling that the virtual currency could replace the precious metal as the top-ranked haven asset soon. While it's a long shot at this time, there are three reasons the conjectures could come true.

1. Durable mechanism

Bitcoin supporters argue that the cryptocurrency can compete with gold and become a superior store of value. From its humble origins, BTC is now a phenomenon. However, severe market volatility characterizes the crypto space. Nonetheless, it's developing strong security and usability features, according to crypto investors.

Gold hasn't experienced the fast-paced climb of bitcoin's value. **BlackRock's** CIO for fixed income, Rick Rieder, thinks the digital asset's mechanism is more durable gold, saying, "It's so much more functional than passing a bar of gold around."

2. Higher adoption

The building momentum of bitcoin is attracting attention. Some strategists believe higher adoption by

institutional investors and asset management firms like **JPMorgan Chase** could heighten investors' confidence. Prominent names in the crypto industry such as MicroStrategy and Stoneridge will discuss how public and private companies can incorporate bitcoin into their balance sheets.

3. Generational change

The younger generation or millennials are turning their backs on gold and shifting to digital gold in investment markets. This investor group loves bitcoin and could even drag baby boomers and Gen Xers to join them.

Beware of the bitcoin mania

A [safer and better investment alternative](#) is Canadian tech stock **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). The all-in-one cloud-based Point-of-Sale (POS) system of this \$10.58 billion company is fueling retail businesses, whether online or in-store, in the pandemic.

Lightspeed's Software-as-a-Solution (SaaS) enable small and mid-size businesses, retailers, and restaurants to access to multiple revenue streams. Similarly, entrepreneurs can reach more clients, sell more products, and grow their businesses by tapping into Lightspeed's exclusive network of retailers.

To date, Lightspeed is powering thousands of independent businesses in over 100 countries. The Canadian unicorn has the tools to assist affected retailers across various sectors to reopen and get back to business. The tech stock is surging in 2021, and as of January 14, 2021, its price has risen by 5.24% since year-end 2020. You can purchase Lightspeed at \$94.55 today and look forward to superior returns.

Volatility breeds instability

Volatility is the chief concern with bitcoin because volatility breeds instability. Central banks back traditional currencies like the U.S. dollar and euros. Regulators also worry about the potential misuse of bitcoin. The tide is moving so fast that a repeat of BTC's fatal crash in 2018 is highly possible.

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