



2 TSX Alternatives to Bitcoin

Description

In the alternative investment market, more eyes are on Bitcoin now than ever before. It's soaring near its all-time high, and many investors are speculating that this volatile cryptocurrency might reach a six-figure valuation before 2021 is over. Even though not many institutional investors are entering the cryptomarket right now, just two or three significant transactions can push the market higher.

Buying a whole Bitcoin might not be an option for most retail investors, as one bitcoin is currently more expensive than maximum RRSP and Tax-Free Savings Account (TFSA) contributions put together (and you can't keep it in registered accounts anyway). But you can still buy its more affordable fractions, like a Satoshi, which is equivalent to a hundred-millionth of a Bitcoin. But the question is, *should* you?

Bitcoin is not just volatile; it also belongs to a highly speculative and tricky market. And if you [don't understand the market](#) and simply want to buy Bitcoin as a long-term holding (and to diversify your assets), you might end up making a costly investment mistake. There might be a way to gain exposure to Bitcoin in a more familiar setting.

Canada's first blockchain infrastructure company

Hive Blockchain Technologies ([TSXV:HIVE](#)) not only has the distinction of being one of the first publicly listed blockchain companies in Canada, but it's also one of the most sizeable cryptocurrency miners around the globe. This \$848 million market-cap company has one data centre in Canada, two in Iceland, and three in Sweden, with access to almost 50 MWs of power.

While it's technically a blockchain company, it offers significantly more direct exposure to cryptocurrencies than other blockchain companies. Rather than integrating blockchain with other technologies and using it in other industries, the company is focused on mining, which is probably [the reason](#) why its share price shot through the roof near the end of 2020.

Between October 2020 and now, the stock has grown over 700%. That's incredible and almost unsustainable growth in less than four months.

A traditional tech stock

If you want to stay clear of Bitcoin and, alternatively, want to invest in a traditional and straightforward tech stock, you may consider buying **Vecima Networks**. It's an overpriced tech stock (that you might want to check when the market is down) that develops hardware and software solutions for broadband access, content delivery, and telematics. It's a Saskatoon-based company and was founded in 1988.

It has an impressive client portfolio that includes some of the largest telecom providers in Canada and around the globe. It's a dividend-paying growth stock with a modest 1.5% yield. But its 10-year compound annual growth rate (CAGR) of 18.65% is reason enough to consider this company for your portfolio. While the company had a rough few years at the start of the last decade, its revenues and gross profits have been consistently increasing for the past three years.

Foolish takeaway

Bitcoin isn't the only cryptocurrency worth considering. Some of the most prominent ones like Ethereum have shown just as much growth potential as Bitcoin, but their fate might ultimately be tied to Bitcoin anyway. It's the most well-known crypto and the point of origin, so if Bitcoin fails, others might follow.

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