



Bitcoin Is the Latest Reddit Target

Description

It's been an interesting week for investors. A hoard of Reddit users banded together to drive specific stocks to record highs. Now, their efforts are being thwarted by the establishment. Bitcoin could be their next target.

If you're trying to make sense of what's going on and deciding how you can position your portfolio for it, here's an overview.

Reddit stocks

Over five million Reddit users collectively decided to implement a strategy called a "short squeeze." I explained this strategy in detail in an [article published yesterday](#). What you need to know is that the strategy was effective until trading platforms decided to put an end to it.

Robinhood, E-trade, and WeBull all blocked their users from selling these Reddit stocks yesterday, inciting a backlash. However, brokers in Canada, including [WealthSimple](#) and [Questrade](#), did not take such a move. Today, all brokers have reopened access to these stocks, but the damage is done. Retail investors and the general public have lost trust in the gatekeepers.

This has prompted some, including the world's richest man, Elon Musk, to shift their attention to an asset that can't be censored: Bitcoin.

Bitcoin is the next target

Early this morning, Elon Musk and several other tech leaders added Bitcoin to their social media profiles. There was plenty of chatter on Reddit's message boards, too. This week, Bridgewater's Ray Dalio also said his firm was looking at the asset closely.

In short, this could be Bitcoin's seminal year. The crypto is already up 15% from yesterday and is currently trading at \$49,000. Canadian investors can certainly add the digital asset to their portfolio, either directly or indirectly.

Platforms such as Wealthsimple offer direct crypto investing, at least for Bitcoin and Ethereum. However, investors on all other platforms can add exposure through proxies. **The Bitcoin Fund**, for instance, is an exchange-traded fund (ETF) listed in Toronto.

Another potential proxy is a **HIVE Blockchain Technologies**, a Bitcoin mining stock.. The company generates new Bitcoin through its server farms. Part of this freshly minted BTC is held in reserves, while the rest is used to fuel expansion.

HIVE stock is up a jaw-dropping 650% in the past four months alone. If Bitcoin hits new record highs with the help of Reddit users, HIVE stock could surge alongside it.

It's worth noting that these strategies and nearly every asset I've mentioned here is deeply speculative. There's simply no way to predict the actions of an online mob. Your investment strategy certainly shouldn't be based on these assumptions.

However, devoting a tiny fraction of your portfolio to Bitcoin is certainly a reasonable option, even without the Reddit influence. Yesterday's censorship and intervention from the most powerful hedge funds and trading platforms makes it clear that the financial system needs to be redesigned. So far, Bitcoin seems like the best option.

Bottom line

Reddit users have collectively targeted specific stocks and sent them skyrocketing this week. The heavy-handed intervention by trading platforms and regulators makes it clear that the financial system needs a redesign.

Bitcoin could be the ultimate bet for investors considering a different future for the financial industry. Deploying a small amount of money into the crypto or its ETFs doesn't seem like a bad idea.

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Date

2025/07/23

Date Created

2021/01/29

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