



Elon Musk: Bitcoin's Popularity Continues to Soar

Description

Over the course of the last year, several investors have started to take notice of Bitcoin. Some have started to watch and learn about the cryptocurrency, while others who have been skeptics have slowly started to change their tones. Then there are those who have decided to make the investment.

Some only refer to it as a currency when referring to its value, where others will mention its technological capabilities. But one of the best investors to give advice on Bitcoin is one of the most brilliant forward thinkers of our generation, and currently the second richest man in the world, Elon Musk.

Elon Musk on Bitcoin

Elon Musk hasn't always been a fan of Bitcoin. However, he has liked the revolutionary idea of blockchain and cryptocurrency.

He also recognized some of its challenges early on. Despite those challenges persisting, it's becoming increasingly clear that Bitcoin's popularity is increasing. Because of this recent surge in popularity, I think he is starting to see the potential.

He recently said that he thinks Bitcoin is on the verge of being broadly accepted while also acknowledging he was late to the party in backing the cryptocurrency.

Musk is just the most recent and one of the most notable in a long line of billionaires who have endorsed the digital currency. This is only increasing the popularity of Bitcoin.

The more investors start to accept Bitcoin, specifically well-known investors, it only increases the broad acceptance of the cryptocurrency as a [viable investment option](#).

Stocks to buy

If you want to consider investing in Bitcoin, there are two ways you can go about it. First, you can invest in **The Bitcoin Fund** ([TSX:QBTC.U](#)). The fund gives investors exposure to Bitcoin through an investment vehicle.

You don't have to worry about any of the complications of holding the Bitcoin yourself or worrying about any other type of risk. You are solely investing in the price of Bitcoin. [This fund](#) will be the top choice for most investors who want the lowest risk way of buying this highly volatile asset.

While the fund charges a management fee of just under 2%, given the services they provide and Bitcoin's explosive potential, that fee is more than reasonable.

The other way you can gain exposure is through a cryptocurrency miner like **Bitfarms Ltd** ([TSX:BITF](#)). Bitcoin miners are generally a lot riskier than owning the cryptocurrency itself. However, they also offer considerably higher upside potential.

Bitfarms has been rapidly increasing its computing capacity to improve its hash rate. While this is all very positive, it's a reminder of how competitive the industry is, which makes cryptocurrency mining a highly capital-intensive process.

So although these stocks are attractive today while the cryptocurrency is rallying, they could underperform The Bitcoin Fund during periods of slow or flat growth.

Bottom line

It seems like every day, more and more well-known investors are jumping on the Bitcoin bandwagon. There's no denying the long-term potential of cryptocurrency, which is why it's a great idea to gain exposure now.

However, with its considerable volatility and high-risk nature, I'd diversify your growth investments with other high-potential Canadian stocks. This way you still own Bitcoin, but you aren't overexposed if prices tank 15% or 20% in the short-term.

CATEGORY

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