



Bitcoin Hits US\$50,600! Will Warren Buffet Now Change His Opinion?

Description

Bitcoin is continuing to set new records in a seemingly unstoppable rally. This morning, the cryptocurrency crossed the US\$50,000 mark for the first time to post a fresh record high near US\$50,600. The most recent [Bitcoin rally started last week](#) after the American electric carmaker **Tesla** ([NASDAQ:TSLA](#)) revealed its US\$1.5 billion investment on February 8.

The Bitcoin rally continues

After registering massive over 300% gains in 2020, Bitcoin has already risen by 75% this year. In January, a big rally in the cryptocurrency market started after Tesla CEO Elon Musk showed interest in knowing more about Bitcoin. On **Twitter**, **MicroStrategy** CEO Michael Saylor [suggested](#) Musk to convert Tesla's balance sheet from U.S. Dollars to Bitcoin. In response, Musk enquired about the possibility of making large transactions in Bitcoin.

Saylor's company MicroStrategy is a Virginia-based enterprise software platforms provider. The company invested US\$250 million in Bitcoin in August 2020 — months before Tesla's investment. Later in the year, MicroStrategy continued to raise its bets on Bitcoin.

Musk — who is known for his revolutionary ideas and unpredictable business moves — seemingly took Saylor's advice too seriously. Tesla not only made a US\$1.5 billion Bitcoin investment in January, but it also plans to start accepting the cryptocurrency as payment for its products soon.

Warren Buffett on Bitcoin

The billionaire investor and **Berkshire Hathaway** (NYSE:BRK.A)(NYSE:BRK.B) CEO has always been critical about cryptocurrencies. He seemingly judges the value of an asset by its ability to produce something. About a year ago, Buffett [said](#), "Cryptocurrencies basically have no value and they don't produce anything." He also clarified that he neither owns any cryptocurrency nor will ever own it.

But since then, Bitcoin prices have skyrocketed against the U.S. dollar. So, will the 90-year-old

legendary investor now change his opinion about cryptocurrency? I don't think so. Let me explain why.

In his over half a century-long investing career, Buffett has seen many bubbles emerge and burst, and many market crises come and go. But he consistently continued to make money from the market during all market conditions. His investment firm **Berkshire Hathaway**'s impressive track record is enough to prove that. Novice investors may be impressed by short-term profits but having Buffett-like consistency is not an easy task. So, when he's suggesting something, we better pay attention.

The Bitcoin 2018 crash

While you may disagree with Buffett's opinion about Bitcoin, the cryptocurrency market's extraordinarily high volatility is enough to ruin your entire investment portfolio within a few minutes — especially if you are a retail investor with a small to medium risk appetite.

This is similar to what happened in 2018 when Bitcoin prices crashed. Back then, many painful stories of retail investors emerged. Many small investors and families [lost](#) all their savings in the crash.

Invest in stocks instead

Today everyone's talking about Tesla's recent success. However, it's primarily because of surging electric vehicles (E.V.s) and autonomous cars' demand. While Tesla stock has already risen to overbought territory, there are many other cheap electric and autonomous technology stocks that you can buy for exceptionally good returns.

BlackBerry (TSX: B.B.)(NYSE: B.B.) could be one such great stock to bet on right now. The company has recently raised its efforts to grab more share in the electric and autonomous vehicle technology market. The Canadian enterprise software company already provides its QNX real-time operating system to most large automakers worldwide.

Last week, BlackBerry announced that Motional's next-generation driverless vehicle platform would use its QNX black channel communications technology. Motional is a joint venture of the South Korean carmaker **Hyundai Motors** and the American-Irish auto parts firm **Aptiv**.

The joint venture is engaged in developing safe and reliable technology for autonomous cars. Motional's platform-based driverless cars' safety systems would help BlackBerry expand its market share in the autonomous vehicle technology segment.

Final thoughts

To get exceptionally good returns on your investment, you don't necessarily need to jump into the highly risky cryptocurrency market. Investing in stocks for the long-term — like Buffett — could be a much wiser, smarter, and safer way to multiply your savings.

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Date

2025/08/23

Date Created

2021/02/16

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