



The 1st Bitcoin ETF Launches: Should You Buy Today?

Description

The cryptocurrency bull market has gained significant steam in 2021. Bitcoin, the largest crypto by market cap, recently surged above the US\$50,000 mark. Some analysts have warned that this rally has moved into dangerous territory. Concerns over a bubble are not unwarranted, but it is hard not to be tempted by this red-hot market right now. Canadian investors now have another way to stash the top crypto in their portfolios. The first Bitcoin ETF launched this month.

Today, I want to discuss why Bitcoin has soared to record heights in late 2020 and early 2021. Moreover, we'll explore whether it makes sense for Foolish readers to stash the recently launched bitcoin ETF.

Why Bitcoin has soared in 2021

The price of Bitcoin rose above US\$54,000 in trading today. In 2017, BTC and the cryptocurrency space were thrust into the mainstream. This first bull market came crashing down in the first month of 2018. One of the biggest reasons for the loss of faith in crypto was an attack by international regulators. This continued through to 2019.

That has changed in 2020. BTC and its peers are now [benefiting from the opposite effect](#). Regulators and institutional investors have given crypto their blessing. Crypto trading is now offered through huge processors like **PayPal** and through firms like WealthSimple. Meanwhile, big players in the corporate space are also giving Bitcoin a boost.

The most recent surge started when Elon Musk revealed that **Tesla** had poured US\$1.5 billion into bitcoin. Musk has become the richest man on the planet on the back of Tesla's stock surge. His bet on Bitcoin has bolstered his wealth in a short time.

Should Canadians look to stash this ETF in late February?

Before February, Canadian investors have been able to hold Bitcoin through **The Bitcoin Fund** ([TSX:QBTC.U](#))

). This week, the first Bitcoin ETF launched and has attracted significant attention. **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)) aims to directly track the performance of the top digital asset. It achieved record volume on its first day of trading on February 18. Investors bought and sold more than \$260 million of shares on that day.

A correction for BTC seems inevitable. Its meteoric rise in late 2020 and early 2021 has deservedly set off alarm bells. At the same time, Bitcoin and its peers are benefiting from increased adoption in the broader financial space. This may continue to fuel its rise in the weeks and months ahead. Foolish readers who are eager to own the top digital currency may want to jump in on this red-hot ETF after its debut. However, they should beware that Bitcoin and other crypto assets have demonstrated extreme volatility in recent years.

Earlier this week, I'd suggested that [Canadians should look to](#) top TSX stocks like **Shopify** or **goeasy** instead of betting on Bitcoin. It is impossible to predict Bitcoin's trajectory in this incredible bull market. Investors who want to get in on crypto should practice dollar-cost averaging to minimize risk going forward.

Happy hunting, Fools!

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