



Bullish on Bitcoin? This Blue-Chip Stock Could Be a Surprisingly Great Buy!

Description

Cryptocurrencies are flying and Bitcoin has hit highs in 2021 that it has never seen before. And while you may be worried that it may be too late to get in and invest in the digital currency given its high valuation, there are other ways that you can potentially profit from its rising popularity.

There are [crypto stocks](#) like **HIVE Blockchain** but they are not typically safe investments. And if you are worried about the high price of Bitcoin, then HIVE isn't a whole lot better — it is up more than, 1,500% in the past year.

High valuations are the norm nowadays for many blockchain-related investments. But there is another way you can indirectly benefit from the rise of crypto. It may not be a popular way or one that will lead to astronomic growth, but investing in energy and utility companies can be an underrated way to profit from an increase in people mining for digital currencies.

Researchers from the U.K. found that Bitcoin uses more electricity than the entire country of Argentina. Mining for Bitcoins involves a staggering amount of energy. And as the price of Bitcoin rises, there will inevitably be more of a reason for people to start mining. That increase in energy consumption would benefit a utility provider like **Fortis Inc** ([TSX:FTS](#))([NYSE:FTS](#)).

The top utility stock has great fundamentals

An increase in energy consumption related to cryptocurrency mining is likely not going to transform Fortis into a growth stock that's generating organic sales growth of 20% or better. However, the company could certainly get a boost to its top line. In 2020, Fortis' sales of \$8.9 billion grew by just 1.7% from the previous year.

Any sign of growth in Fortis could generate excitement among investors. For many, it's nothing more than a [good dividend stock](#). Its 4% dividend yield is great, especially when you consider it has been increasing its payouts for nearly five decades in a row.

Another reason to consider Fortis: it's cheap. Over the past year, as investors have been flocking to

growth investments, shares of this top utility stock have fallen more than 14%. Today, it trades at a forward price-to-earnings multiple of just 17, which isn't much of a premium for a company that delivers strong, consistent results year after year. In the past three years, the company's profit margin has not fallen below 12% of revenue.

Bottom line

Unless you're willing to take on significant risk, Bitcoin may not be an investment that's suitable for you. The volatility can be scary and that's precisely why Fortis can be a much more appealing option. With a business model that's strong and a valuation that is easy to measure, it's a solid long-term investment and one that can benefit from the growing popularity of cryptocurrencies.

In five years, the stock has risen more than 30% in value. And those gains would be on top of the returns you would also earn from collecting its dividend over that period. Fortis is a safe buy-and-forget investment that you can tuck away in your portfolio for the rest of your life.

CATEGORY

1. Investing

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1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

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