



Bitcoin ETF Announced: When Can You Buy It?

Description

The world's most popular cryptocurrency has entered North America's mainstream financial market via the **Purpose Bitcoin ETF**. The [first exchange-traded fund](#) in the region will track bitcoin's price through the TradeBlock XBX Index. Canadian regulators beat their American counterparts to the punch.

The high trading volume (9.65 million shares) on February 18, 2021, the market debut, indicates a favourable reception and a strong demand. A would-be investor has two options to purchase the Purpose Bitcoin ETF. If you prefer a Canadian dollar-denominated, non-currency-hedged version, buy the BTCC.B. For the U.S. dollar-denominated ETF, pick the ticker symbol BTCC.U.

Cryptocurrency frenzy

According to fund manager Purpose Investments, investors can now gain exposure to bitcoin without needing to hold the precious digital tokens. Gemini Trust Company is responsible for storing the cryptocurrency offline. Similarly, the Purpose Bitcoin ETF makes the purchase process simple while eliminating hacking risks and potential loss of electronic keys by crypto investors.

Before the ETF's launch, Royal Bank of Canada's Wealth Management said, "There remains a significant [speculative element](#) to the bitcoin investment proposition." Analysts warn that bitcoin is subject to large price swings.

Furthermore, there are risks from market manipulation, hacking, and new regulation. RBC adds that portfolio managers would probably allocate only a small percentage of a high-risk investor's portfolio. Purpose Investments applied to open the fund in 2018 until Canada's securities regulators gave the green light in 2021.

More attractive now to traditional investors

With a structure that provides price tracking, better liquidity, and lower cost compared than other vehicles, the ETF becomes attractive to traditional investors. Still, prospective buyers should remain

cautious. Bitcoin is a speculative asset and notorious for its extreme volatility. The 2008 crash is still fresh in the minds of investors.

Go easy on bitcoin

Cryptocurrency investors are going ballistic over the exponential increase of bitcoin prices in 2021. They say the situation today is different from 2017 before the digital currency's monumental collapse. Meanwhile, if you're skeptical about bitcoin, you'll find **goeasy Ltd.** ([TSX:GSY](#)) a safer investment option.

The financial stock is also surging this year, and after breaching the \$100 mark, it has never looked back. As of February 22, 2021, goeasy shares trade at \$128.35. The year-to-date gain is 36.8%. A year ago, the share price was only \$68.61. It's a \$1.9 billion financial services company and the lender of last resort in Canada.

Despite this image, the company knows how to finance loans to make more money. For the full year 2020, goeasy reported a 100.8% increase in revenue versus the full year 2019. Its net income of \$136.5 million was 112.13% more than the previous year. Management said the company is well-positioned to capture consumer credit demand when the economic recovery begins.

Two bitcoin ETFs in a flash

North America's second-ever bitcoin ETF will trade very soon on the **TSX** under the ticker symbols EBIT and EBIT.U. The Ontario Securities Commission approved the Evolve Bitcoin ETF of Evolve Funds. The new bitcoin ETF will track the regulated Bitcoin Reference Rate from CF Benchmarks, while the fund directly owns bitcoin on the bitcoin blockchain in a cold wallet.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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