



Tesla Buys Bitcoin! 1 Canadian Stock That Will Win

Description

Earlier this month, **Tesla** ([NASDAQ:TSLA](#)) revealed that it purchased US\$1.5 billion in Bitcoin. The company also said that it would start accepting the cryptocurrency as a payment method.

This is a sizable move. Last quarter, Tesla had roughly \$19 billion in cash. Many Bitcoin proponents have called for corporations to transition 1% of their cash holdings to Bitcoin. Tesla's US\$1.5 billion bet totals nearly 10%.

Musk [told](#) regulators that Tesla purchased cryptocurrency for "more flexibility to further diversify and maximize returns on our cash." It's clear that they see consumers adopting this as a form of payment over the long term.

Many crypto enthusiasts have jumped into Bitcoin following the move, but there's one Canadian stock that will be an even bigger winner.

Ditch Tesla for this crypto winner

If Bitcoin is ready for mainstream, few stocks will benefit more than **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). If you don't know about this stock, buckle up. Shares are nearly 5,000% higher since 2015.

Why will Shopify be a crypto superstar? It's important to understand how the company makes money in the first place.

Let's start with a business you likely know well: **Amazon** ([NASDAQ:AMZN](#)). Analysts consider Amazon an *aggregator*. It's a central place for buyers and sellers to come together. The more buyers there are, the more sellers are incentivized to join the platform. This attracts even more buyers, creating a never-ending positive feedback loop.

Feedback loops like this are what allow Amazon to grow at breakneck speeds for years on end. They're also what have fueled Shopify's rise. Bitcoin has risen based on different feedback loops, but the forces are very similar.

Shopify basically took the Amazon model and turned it upside down. Instead of creating a central marketplace, it allowed independent stores to spin up their own digital presences quickly and easily. You can create a personally branded Shopify store in minutes.

If Amazon is the digital **Walmart**, Shopify is like the local store down the street. But how exactly will it benefit from Bitcoin's rise?

Own this stock if Bitcoin keeps rising

Both Amazon and Shopify are capitalizing on one of the biggest markets in human history: e-commerce.

"Global e-commerce sales were \$1.3 trillion in 2016, growing to \$3.5 trillion in 2019. By 2023, digital retail sales are expected to surpass \$6.5 trillion," I recently [stressed](#). "This is an incredible opportunity for Shopify stock, especially since it takes a small cut of every item that is sold through its platform."

Shopify doesn't care how users pay. They can already use dozens of fiat currencies, including crypto like Bitcoin, Ethereum, Litecoin, and 300 other digital currencies.

Hundreds of the company's merchants have generated millions of dollars in sales through crypto payments. Shopify stock benefits the same way as when customers use Canadian or U.S. dollars. This company is immune to wherever the future goes, whether Bitcoin spikes or crashes.

Betting on cryptocurrencies can be a volatile process. There's a winner-takes-all mentality that adds extreme risk even to small positions. With stocks like Shopify, you can still take part in the upside without losing everything should Bitcoin fail.

CATEGORY

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2. Tech Stocks

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2. NASDAQ:TSLA (Tesla Inc.)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:SHOP (Shopify Inc.)

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