



## \$1,000 Invested in Bitcoin in 2016 Is Worth an Insane \$100,000 Today

### Description

Bitcoin reclaimed its 2017 all-time highs in late 2020 and the insane rally continues in 2021. Well-known institutional and individual investors lent support to the world's most popular cryptocurrency. Had you invested \$1,000 in bitcoin on May 25, 2016, your money would be worth \$102,209.54 today or a total return of 10,121%.

The [digital asset space](#) is more popular than ever despite the image of extreme volatility. While adoption by big corporate names is increasing, not everyone is ready to embrace bitcoin and other cryptocurrencies. The price is sliding lately in that the bull run could end sooner than later.

### Stark warnings

Given its historic meteoric jump in recent years, many crypto investors hope to get rich quickly with bitcoin. About 18.6 million bitcoin tokens are circulating, and the value topped US\$1 trillion for the first time. **Tesla** CEO Elon Musk bought US\$1.5 worth of bitcoin. He said, "A bitcoin purchase is less dumb than holding cash."

**Microsoft** founder Bill Gates prefers to invest in companies that make products, especially vaccines. Only a pro and billionaire like Musk can buy bitcoin but not regular or average investors. Comments from critics also influence the price movements. Legendary investor Warren Buffett has [harsh words](#) for digital currencies.

Stern School of business economics professor Nouriel Roubini warns that cryptos can't protect investors from tail risks. He adds that cryptocurrencies are the "mother of all scams and bubbles." He believes the bubble will eventually end in another bust.

### Bitcoin in the mainstream

Bitcoin is now in the mainstream in North America through exchange-traded funds (ETFs). The **Purpose Bitcoin ETF** started trading on the **TSX** on February 18, 2021, while the **Evolve Bitcoin ETF**

will debut soon. Canadian securities regulators approved the second bitcoin ETF in North America.

Investors can now trade bitcoin in a regular stock exchange. According to Bloomberg, two bitcoin ETFs could trigger a fee war. The new products are capturing investor attention. Digital-asset investment house CoinShares launched an exchange-traded Ethereum product on the SIX Swiss Exchange in January 2021.

## Surging bitcoin mining stock

**Hut 8 Mining** (TSXV:HUT) benefits from bitcoin's surge in 2021. The bitcoin mining stock is up 187% year-to-date. The current share price of \$10 is 571% higher than it was a year ago. The \$1.12 billion cryptocurrency mining and blockchain infrastructure company ranks eleventh in the top 50 U.S. and international companies trading over-the-counter or in the OTCQX market.

The bitcoin mining operations of Hut 8 are industrial in scale. Low production costs and appreciation of bitcoin inventory create shareholder value. If you invest in Hut 8, you gain direct exposure to bitcoin minus the technical complexity of owning the cryptocurrency. Similarly, it frees you of the constraints of purchasing the tokens.

Hut 8's investment pitch is that you don't need to create online wallets, wire money offshore, and safely store your bitcoins. The crypto-mining stock is a secure alternative and simple way to invest in bitcoin.

## Speculative asset

Cryptocurrency loyalists project bitcoin will soon replace gold as the world's safest asset. However, unbelievers say the recent volatility indicates the bubble is about to pop. The most prominent digital currency remains a risky and speculative asset to most unless central banks or operators oversee the crypto market.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:HUT (Hut 8 Mining)

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