



## Bitcoin: Flash Crash or 2018 All Over Again?

### Description

This past weekend, the price of Bitcoin crashed, falling to \$56,000 from a high of \$72,000 the week before. The crash came after several newsworthy moments for BTC, including the US\$1.5 billion **Tesla** investment and a major Tether scandal that resulted in a \$18.5 million fine. The Tesla investment helped propel Bitcoin's price higher initially, while the Tether fine was mostly taken as a negative.

If you're new to investing in Bitcoin, you might be wondering what to make of all this. Seemingly everybody is saying that Bitcoin is the best thing since sliced bread, is going to replace fiat currency, and is sure to hit \$100,000, \$150,000, or even \$1 million. Yet if you invested in BTC last week, your first experience with the crypto would have been seeing its value plummet. There are a lot of mixed signals here. In this article, I'll try to unpack some of what's going on.

### Bitcoin has always been volatile

The first thing you need to know about Bitcoin is that it [has always been volatile](#). Yes, it has gone up dramatically over the last 10 years — perhaps more than any other single asset. But the ride has been very bumpy along the way. For example, in 2018, following BTC's legendary 2017 run, it collapsed in price by more than 80%. It would be more than a year before it would start to rally again. Many people who'd bought the top in 2017 panic-sold and lost a lot of money.

### The same goes for blockchain stocks

It's not only Bitcoin that has been experiencing volatility lately. [Blockchain stocks](#) like **HIVE Blockchain Technologies** ([TSXV:HIVE](#)) have also given investors a very bumpy ride. According to *Morningstar*, HIVE has a beta coefficient of five. That means it's five times more volatile than the closest benchmark. That can be witnessed in the stock's recent price moves. In the past five years, the stock went to \$4.17, then later to \$0.10. It is currently \$6.04. Sure, you could have made money on the upswings. But few would have had the stomach to hold on during the +99% declines.

## An alternative investment in the future of payments

As we've seen, blockchain assets are very volatile. Whether you're talking about crypto or crypto stocks, they'll give you very scary ride. Perhaps they'll keep going up long term, but many won't be able to handle the downswings.

That's why, if you want to invest in the future of payments, you could consider a stock like **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). Lightspeed is a point-of-sale software company heavily involved in processing payments. Like Bitcoin, Lightspeed stock has seen phenomenal gains. Unlike Bitcoin, its software is already widely used by retailers worldwide.

Since going public just over a year ago, LSPD has more than quadrupled in price. And it has the business results to back that up. In its most recent quarter, Lightspeed's revenue was up 79% and its e-commerce sales were up 100%. Those are solid, concrete results pointing to an enterprise with a bright future. And they may continue. E-commerce is a massive growth industry, and Lightspeed is right there on the ground floor. With crypto, you never know what the future holds. With a business like Lightspeed, there are solid reasons to expect future growth. I know which one I'd pick if I had to.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)
3. TSXV:HIVE (Hive Blockchain Technologies)

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### Author

andrewbutton

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