



## The 1st Canadian Bitcoin ETF Is Here: Is Now the Time to Get in?

### Description

The first Bitcoin ETF launched in Canada just over a week ago, and it was an incredible success, as shares sold like hotcakes in the first two days. With Bitcoin and cryptocurrency prices continuing their epic climb, there's no question that everyone and their friends are wanting to get in on the crypto boom. But the entire process of setting up a wallet and all the sort is intimidating for new investors, to say the least. That's why Canada's first Bitcoin ETF is such a big deal and why the first few days of buying were so remarkable.

### Enter Canada's first Bitcoin ETF

The TSX-traded **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)) is a hot commodity, with many smart people, including the likes of **Tesla's** Elon Musk and **Twitter's** Jack Dorsey, embracing the wildly volatile cryptocurrency with sizeable investments. Heck, even The Motley Fool is getting in on the crypto boom, with its recently announced [US\\$5 million investment](#) in the high-flying asset.

As Bitcoin takes it to the next level, there are reasons to believe that more firms, perhaps across a wide range of industries, could embrace the cryptocurrency through a sizeable investment or through its acceptance as a method of payment.

However, just because more people and firms are embracing Bitcoin doesn't mean you should. While nobody wants to be the last person to embrace a next-generation technological shift, I think one must carefully evaluate how the crypto trade will pan out, not only over the next several months but the next several years and decades.

While Bitcoin is unlikely to fall to zero, I'm doubtful that the cryptocurrency will be the one currency of the future to rule them all. I'm not the first person to say this, but Bitcoin has many flaws. And such flaws, I believe, hurt the long-term thesis for holding the asset, regardless of what your intentions are (getting rich over the near term or as some sort of gold alternative).

## The case for avoiding Bitcoin and anything related

There are many arguments for why Bitcoin is a terrible currency.

It's wildly volatile, speculative in nature, and backed by nothing. And the list goes on. Some folks, including Bill Gates, who once said he'd short it if he could, recently stated that the world would be better off without a cryptocurrency like Bitcoin. It's been reported that the electricity needed to mine Bitcoin exceeds that of some countries. Bitcoin is booming, but so too is renewable energy. And I believe that Bitcoin is up against it over the coming years.

While I hope crypto will continue to be a success, I'm not so sure it will be as time goes on. Ex-Fed chair and current U.S. Treasury Secretary Janet Yellen is clearly no fan of the speculative cryptocurrency. And as Bitcoin acceptance continues to accelerate, I think Yellen and other federal regulators are at risk of stepping in to pull the plug.

In any case, I'd have to side with [Warren Buffett](#), Charlie Munger, Janet Yellen, and Bill Gates. I just don't get why anyone would want to own cryptocurrencies, given their limited track record as a store of wealth and the fact that many speculators have been bidding up prices with the hopes of getting rich.

### Foolish takeaway

The ETF is exciting. But just because you can bet on Bitcoin in a convenient manner does not mean you should. Cryptocurrencies aren't everybody's cup of tea.

At best, I view Bitcoin as a trading instrument. If you're an experienced trader, there's no question that Bitcoin could make you a quick buck, as it continues its climb past the US\$1 trillion market cap mark. For everybody else, I'd recommend sitting on the sidelines. If you're keen on getting into crypto, I'd only look to nibble on Canada's first Bitcoin ETF with the disposable income that you're willing to part with.

I don't want to see you losing 90% of your investment over a span of weeks if the Bitcoin boom ends tomorrow. We've been through many crypto busts before. It can be painful. And if you're a true believer, it may be worthwhile to wait for the next bust, whenever this may be.

Stay Foolish, my friends.

### CATEGORY

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### TICKERS GLOBAL

1. TSX:BTCC.B (Purpose Bitcoin ETF)

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### **Date**

2025/07/29

### **Date Created**

2021/03/02

### **Author**

joefrenette

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