



Bitcoin Reclaims US\$1 Trillion Market Cap: Should You Buy, Sell, or Hold?

Description

The last 12 months have revolutionized the cryptocurrency space, as it has attracted massive investments from institutional investors. Publicly listed companies, including **Tesla** and **Square**, have held Bitcoin on their balance sheets, driving the price of the digital currency significantly higher.

This meant the price of Bitcoin has surged over 1,000% since in the last year, reaching a valuation of \$1.03 trillion. It now indicates the most popular cryptocurrency has a valuation that's higher than Tesla and **Facebook**.

Canada's Bitcoin ETF

Due to the rising popularity of Bitcoin and peer digital currencies, Canada [launched the first](#) crypto [ETF](#) for investors called **The Purpose Bitcoin ETF** ([TSX:BTCC.B](#)), making it really easy to gain exposure to the flagship cryptocurrency.

Investing in the crypto space allows you to diversify your portfolio. Further, investing in the ETF means you can now hold Bitcoin in registered accounts such as the TFSA and benefit from tax-free gains.

The Purpose Bitcoin ETF aims to democratize Bitcoin access to retail and institutional investors. It purchases physical Bitcoin, and the investor can then own the fund that owns the digital asset. The total assets under management stand at \$885 million, and the number of Bitcoins owned by the ETF stands at 12,467.6446.

Investors don't have to worry about liquidity while investing in this ETF, as the trading volume is high. It also eliminates the risk of hacking and potential loss of electronic or hardware keys by crypto investors.

The blockchain vertical continues to innovate

Given the potential for massive disruption in the blockchain and cryptocurrency space, several companies are introducing products in this vertical.

[Recently Bluzelle partnered](#) with **Equinix** to allow crypto participants to launch validators in the cloud. Currently, running a validator on blockchain comes with its own set of challenges. For example, if you stake 200 DOT on the network with your own device, you can earn rewards as a nominator. However, the validator then takes a lion's share of these rewards.

With a cloud service like **Amazon** Web Services or Google, you can run a validator easily on your device and collect much higher rewards than if you are simply a nominator on the network.

Until now, the main issue has been security. It's not been possible to run a validator securely on any cloud network. Here, Bluzelle aims to leverage the Equinix SmartKey to enable secure cloud-hosted PoS validators. This partnership will allow people to set up a secure and high-performance validator on cloud platforms.

The Foolish takeaway

While the crypto space continues to attract retail and institutional investment, you should understand that it remains a highly volatile asset class. Bitcoin and other digital currencies are part of an unregulated market and have lost 90% in market value several times in just a few months.

There is a significant speculative element associated with Bitcoin and it is subject to wild price swings. Investors need to allocate only how much they can afford to lose for buying Bitcoin.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
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