

Crypto Vs Stocks: Which Should You Buy?

Description

We can use many adjectives to differentiate stocks from other investment assets, but effortless and affordable are two classic favorites. If you compare stocks to the most common alternative investment, i.e., real estate, it's significantly more affordable. It's also effortless to buy, hold, and sell and requires minimal investor attention and intervention.

But there has been a new contender in the market for about a decade that fits the same bill: Cryptocurrency. Even if you don't think that [a whole Bitcoin](#) is an affordable investment, its smaller denominations and other cryptocurrencies are just as affordable and effortless to trade as stocks are.

So which of the two should you lean on?

Crypto vs. Stocks: Which is the more profitable choice?

If you are looking for short-term investments or assets that you can trade for maximum returns (albeit at higher risk), crypto might be the right asset for you. For long-term and more consistent returns (either through capital growth or dividends), stocks might be the better bet. But it's an oversimplification and contains many exceptions.

For example, some venture capital stocks have shown just as much growth (or more in some cases) in shorter time frames than significant crypto assets. **Facedrive** grew over 2,000% in the last 12 months (from start to its yearly peak). That's double compared to Bitcoin's epic \$5,000 to \$50,000 jump.

Another factor to consider is the asset's tangibility. Stocks are backed by tangible assets, but realistically speaking, it might not do you a lot of good if the company goes bankrupt and you didn't sell your shares in time.

So the main factors that should influence your choice might be volatility and the growth time-frame you are looking for.

Invest in both

There is a simple way to invest in both, i.e., buying shares of a [crypto-related company](#) like **HIVE Blockchain Technologies** ([TSXV:HIVE](#)). It has a lot of exposure to Bitcoin but doesn't necessarily trail its price pattern. Like right now, the stock is falling while Bitcoin is going up. And the company has grown its market value by over 2,700% in one year, which's significantly better than Bitcoin.

But with its volatility, it also comes with stocks' tangibility and exposure beyond Bitcoin. The company has data-center facilities currently focused on mining cryptocurrencies, but they can be leveraged for blockchain. Even investors who are not in favor of crypto investments admit that blockchain has a

future.

The company combines the best of both worlds, and it might have better long-term prospects than cryptocurrencies. And if these currencies are adopted by the financial systems worldwide, companies like Hive are well-positioned to thrive.

Foolish takeaway

Both crypto and stocks are suitable investments, and if you can afford to, try and buy both of them for your portfolio. You may want to leverage more heavily on one asset class and keep the other as a hedge (depending upon your personal investment goals), but having both offers you multiple advantages, diversification chief among them.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSXV:HIVE (Hive Blockchain Technologies)

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