



Canadian Bitcoin ETFs and Miners May Keep Soaring: Is Now the Time to Get In?

Description

Canadian Bitcoin investors now have [plenty of options](#) when it comes to crypto investing. With numerous Bitcoin ETFs (**Purpose Bitcoin ETF**), funds (**The Bitcoin Fund**), miners (**HIVE Blockchain** ([TSXV:HIVE](#)) stock), and all the sort landing on the **TSX Index**, there's never been a better or more convenient time to place a bet on cryptocurrencies. You don't even need to set up a wallet or secure your keys!

Many of today's young investors view Bitcoin and Dogecoin as the "millennial gold" or some new-age store of wealth. Undoubtedly, it's exciting to invest in the blockchain and the next generation of financial technology. With white-hot non-fungible tokens, another blockchain product, are sexy, and they're adding to the euphoria behind all things related to crypto-related.

And with Elon Musk and Jack Dorsey embracing Bitcoin, it now feels like the popular cryptocurrency is here to stay. Of course, Warren Buffett and Charlie Munger, who've slammed Bitcoin on numerous occasions in the past, will probably be the last men on the planet to jump on the cryptocurrency bandwagon.

Investing in Bitcoin has never been sexier!

With Musk and Dorsey aboard, Bitcoin now feels legitimate. Indeed, things are looking up for cryptocurrencies these days. That said, my stance on crypto hasn't changed. It's only worth as much as someone else is willing to pay for it. As such, I view any crypto or crypto-related product as primarily a means of speculation.

...but should you own it?

Personally, I don't think Bitcoin or any other non-backed cryptocurrency is a very good gold alternative, store of wealth or even a currency. It's far too volatile, and there's really nothing stopping Bitcoin and its smaller brothers from crumbling like a paper bag overnight.

While it's encouraging to see firms accept and invest in cryptocurrencies, I think it's the worst way to pay. Why? The tax consequences of transacting in Bitcoin can get pretty nasty. Moreover, with India mulling a ban on cryptocurrencies and penalties for Bitcoin miners, I wouldn't at all be surprised if other countries, including Canada, looked to follow suit.

Bitcoin has defied the odds — and its momentum seems unstoppable at this juncture. That said, nothing is stopping federal regulators from pulling the plug if they feel the cryptocurrency is getting out of hand. That's why I'd personally never touch crypto or any other non-backed, non-regulated cryptocurrency.

Could Bitcoin soar past US\$100,000 this year?

Fellow Fool Chris MacDonald certainly seems to think so. He [touts](#) HIVE Blockchain stock as the best way to bet on the boom, noting that the cryptocurrency miner would also profit profoundly from its mining of other cryptocurrencies.

But could it implode like it did many times in the past? It's entirely possible. I can't value cryptocurrencies, nor can any sell-side analyst with any degree of precision. The only way to make money in the asset is to win the game of greater fools. If the next guy is willing to pay more for your tokens down the road, you'll do well. Otherwise, be prepared for painful losses.

In any case, I'd urge investors to side with Warren Buffett and Charlie Munger by resisting Bitcoin and all things crypto-related, like the Bitcoin miners, which are essentially a levered way to play cryptocurrency prices. If you're keen on getting some crypto exposure, however, Bitcoin ETFs are the way to go. They're the most secure way to own Bitcoin, and the fees are trending lower.

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