



Young Investors: Should You Buy Bitcoin or Shopify Stock?

Description

Last week, I'd debated whether young investors should focus on the [cannabis or cryptocurrency space](#) in 2021. Today, I want to look at the prospects for Bitcoin and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) for the rest of the year. Which is the better buy for young investors in the final days of March? Let's dive in.

Why Bitcoin's bull run still has legs in 2021

Bitcoin finished strong in the last months of 2020. However, no one could have predicted the stunning run it has put together to start this year. Investors have had to stomach violent swings, but Bitcoin has roared back again and again to reel off record valuations. It recently breached the US\$60,000 mark in March.

Young investors who want to track the performance of bitcoin may want to go with the **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)). This ETF just launched in the month of February. It was the first exchange-traded fund focused on Bitcoin to be launched on a major index. Shares of Purpose have climbed 4.5% month over month as of late-morning trading on March 19.

The world's top digital currency has thrived on the back of institutional support over the past year. It has been embraced by top payment processors like **PayPal** and targeted by influential business leaders like Elon Musk. This week, **Morgan Stanley** became the first U.S. bank to offer wealthy clients access to Bitcoin funds. These clients must have a "healthy risk tolerance" considering Bitcoin's historical volatility. Similarly, young investors should be willing to take on risk if they are diving into Bitcoin.

Shopify is on track for enormous growth this decade

Shopify has made fortunes since debuting on the TSX in 2015. However, shares of Shopify have been largely flat in 2021 so far. Still, this is a stock that is [well worth stashing](#) for the long term. Shopify stock has climbed 192% from the prior year. This Ottawa-based company provides a commerce platform to merchants around the world.

The e-commerce space has erupted during the COVID-19 pandemic. New restrictions and lock downs have forced brick-and-mortar retailers to close their doors and rely on activity in the digital space. Some have thrived in this challenging time, while many more have suffered. Shopify's merchants have delivered record results during this crisis.

Gross merchandise volume reached \$120 billion for 2020. Total revenue rose 86% year over year to \$2.92 billion and gross profit jumped 78% to \$1.54 billion. Adjusted net income came in at \$491.3 million — up from \$34.3 million, or \$0.30 per diluted share, in the prior year.

Shopify boasts an immaculate balance sheet. This company is on track for huge growth in the decade ahead, as it has eyes on international expansion. Young investors should continue to target this exciting tech stock.

Which is the better buy for young investors?

Bitcoin has put together an incredible run over the past six months. Young investors should be more open to risk by virtue of having a longer time horizon. However, this does not mean they should embrace Bitcoin's volatility and unpredictability. I'm a bigger fan of Shopify's very promising growth trajectory in 2021 and beyond.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:BTCC.B (Purpose Bitcoin ETF)
3. TSX:SHOP (Shopify Inc.)

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