



## The NFT Surge: How to Invest in Non-Fungible Tokens in Canada

### Description

Non-fungible tokens (NFTs) are taking the investing world by storm right now. Whenever a new acronym becomes mainstream, it's time to take a look at what's going on.

Indeed, NFTs look to have a significant amount of potential right now. These blockchain-backed digital tokens allow investors to buy and sell digital copies of items they consider to have value.

Let's dive more into what NFTs are and if they're worth investors' time right now.

### Exactly what is an NFT?

Perhaps the best way to explain anything is through the use of analogy.

Imagine an investor wants to buy a rare piece of art or a first-edition book. If a fire burns down one's house and takes said book or artwork with it, it's gone forever. Buying another mass-produced copy isn't the same. Indeed, the first-edition book or rare artwork only has value because it's limited in quantity.

The same thing goes with NFTs. Digital trading cards, digital copies of books, artwork, social media posts, and other "capturable moments" have been turned into traceable assets. Those using the [Ethereum network](#) can create digital tokens for this content. Individuals can turn their favourite .JPEG or .MPG into an asset worth potentially millions.

The prices for NFTs or physical real-world collectibles are really only limited by what investors are willing to pay for them. The rarity of these items is what gives them value. Accordingly, those with boatloads of money have been attracted to these assets in recent years. Never mind the fact that investing in such assets has produced market-beating returns for quite some time.

### How can investors get in on the NFT surge?

A number of companies have reportedly been working on providing investors access to NFTs.

In Canada, one company traded on the venture exchange that has done so is **CurrencyWorks** (TSXV:CWRK). This stock is up more than 400% this year on the news. (Now that's a market-beating return.)

CurrencyWorks is a fin tech company focused on the blockchain. The company already has an existing NFT platform and has plans to expand the platform to include Bitcoin and Ethereum as payment. The company's core business model is directly attuned to the NFT surge, and investors are taking notice.

Of course, NFTs are relatively brand new as far as assets go. Investors are taking a leap of faith with buying these digital tokens right now. Indeed, this is a speculative asset class with difficult-to-define intrinsic values for its holdings.

Accordingly, investors should only invest what they can afford to lose in NFTs right now.

That said, for those interested, here's one Canadian stock to play this space.

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