



Another Bitcoin ETF Launched! Are These Buys Right Now?

Description

As Bitcoin prices continue to skyrocket, investor interest has certainly grown in the cryptocurrency space. Today, there are several routes that investors can take to dip their toes in cryptocurrency. They can invest in Bitcoin miners like **Hive Blockchain** ([TSXV:HIVE](#)), own crypto in their wallets directly, or invest in Bitcoin funds and [ETFs](#).

The newest Bitcoin ETF comes courtesy of **Galaxy Digital** and **CI Financial** ([TSX:CIX](#)). Now that **CI Galaxy Bitcoin ETF** (TSX:BTCX) is also in the mix, investors have a better way to test the volatile cryptocurrency market without owning the underlying cryptocurrency themselves.

An intriguing option for those looking to jump on the cryptocurrency bandwagon

Time and again, I have repeated that cryptocurrencies are highly speculative. Accordingly, these don't fit my investor risk profile. However, for those so inclined, the options today are impressive.

Indeed, the ETFs that have been launched change the game for retail investors. The launch of **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)) and CI Financial ETF are two such options that simplify crypto investing for the average Joe.

The latter has me excited with its relatively low 0.4% management fee, which other companies may find difficult to compete with. [CI Financial](#) is already positioned strongly within the market. Being one of the most trusted Canadian asset management firms, this ETF is well backed. The company intends to store the Bitcoin backing this ETF in offline storage, mitigating hacking risks — something investors should keep in mind.

Peace of mind is a big deal for crypto investors. In many ways, I think this ETF assuages some of the key concerns on that front. Indeed, it's an intriguing option for sure.

Bitcoin continues to scale new heights

Last year was an exciting time for Bitcoin investors. From March to December 2020, Bitcoin saw its price jump dramatically. The price of Bitcoin ballooned as institutional money, and big names began backing this cryptocurrency. Moreover, the year saw the five largest transactions in Bitcoin history take place, all worth \$1 billion or more.

This year was no different. Bitcoin rode this wave of institutional buying, and now trades near all-time highs. Indeed, the digital currency now also has a sense of legitimacy, with big shots like **Tesla** and **Square** buying crypto in large amounts — US\$1.5 billion and US\$170 million, respectively. With the Biden government pushing massive stimulus into the U.S. economy, I would not be surprised to see Bitcoin prices doubling in the near future. Retail demand has been the key driver here. Indeed, I see this demand remaining strong.

Bottom line

That being said, several risks are associated with holding cryptocurrencies like Bitcoin. In my view, the thought of being hacked or losing access to one's account key are big problems. There are several horror stories out there with folks talking about losing a fortune when they lost access to their cryptocurrency wallet. CI Financial offers a better option this way, allowing investors to gain exposure to the crypto market without owning or managing a wallet.

Again, Bitcoin is a highly speculative trade (not really an investment) right now. Accordingly, investors should only gamble what they can afford to lose. However, those willing to gamble might want to consider this ETF as a highly liquid way of doing so.

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2. NYSE:XYZ (Block)
3. TSX:BTCC.B (Purpose Bitcoin ETF)
4. TSX:CIX (CI Financial)
5. TSXV:HIVE (Hive Blockchain Technologies)

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