



This Hedge Fund King Thinks Bitcoin Could Be OUTLAWED

Description

Ever since Bitcoin was created, regulation has been the question mark hanging over its future. BTC has seen incredible price gains in the years since it was invented, but regulation threatens to change all that. While it wouldn't be possible for the government to ban Bitcoin entirely, it could ban:

- Banks from accepting Bitcoin transactions
- ETFs holding Bitcoin
- Major corporations accepting Bitcoin for purchases

If the U.S. or Canadian government made such a move, the effects would be devastating for BTC. While Bitcoin is mostly used as a vehicle for speculation, its eventual adoption as a real currency is a big part of the thesis for investing in it. If Bitcoin can never be used to buy anything from a mainstream business, then there's no point in holding it.

Recently, hedge fund kingpin Ray Dalio entered the conversation on Bitcoin with an alarming message: governments will likely ban Bitcoin soon. Following India's proposal to ban Bitcoin exchanges, he said other governments were likely to follow suit. In an interview with *Yahoo! Finance*, Dalio explained that Bitcoin was too much of a threat to the government's monopoly on currency. For that reason, he said, it was likely face fierce opposition going forward.

Who is Ray Dalio?

Ray Dalio is the founder of **Bridgewater Associates**, a [company that runs several hedge funds](#). With a net worth of \$18.7 billion, he is one of the richest investors in the world. Dalio is best known for having predicted the 2008 financial crisis. That year, his funds outperformed the markets because they were hedged against stock market declines. Today, he remains invested mostly in stocks, with hedges on many of his positions.

Past predictions turned out correct

Ray Dalio has made many predictions over the years that turned out to be correct. The most notable was his calling the 2008 financial crisis just shortly before it happened. More recently, he predicted that tech stocks would decline compared to value stocks, because of the “[market divergence](#)” that emerged post-COVID. Shortly after Dalio made that prediction, the Dow went on to rally while the tech-heavy **NASDAQ** declined 10%.

What’s Ray buying?

It seems pretty clear that Ray Dalio isn’t a fan of Bitcoin. Seeing regulation as a big threat to its future, he probably isn’t buying much of it.

So what *is* he buying?

Mainly positions in stocks and ETFs. Bridgewater’s funds hold several hundred stocks, and various hedges (e.g. puts, shorts) against them. One *Canadian* stock he owns is **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)). That’s a Canadian fast food company that owns Tim Hortons, Burger King and Popeyes. Like many fast food stocks, QSR got hit hard in the COVID-19 market crash.

It has since bounced back, partially owing to the popularity of Popeyes’ recently launched chicken sandwich. Like most stocks Ray Dalio likes, QSR is built on a real, profitable, growing business. While it may not have the upside of Bitcoin in a best case scenario, you can be assured that the government isn’t going to ban it from doing business.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

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