



Bitcoin Cracked US\$60,000: What Does Warren Buffett Think of Cryptocurrency?

Description

American billionaire Warren Buffett makes headline news every time he buys or sells stocks. **Berkshire Hathaway** ditched and trimmed its positions in some stocks while adding or taking new positions in Q4 2020. The moves indicate the Berkshire CEO looks to [maximize every dollar](#) he invests.

In the cryptocurrency market, Bitcoin (BTC) continues to skyrocket in 2021. The world's most popular digital currency has breached the US\$60,000 mark. On March 13, 2021, BTC finished at US\$61,243.09, or a 529.2% year-over-year increase. Despite the price going through the roof, Buffett has not touched the cryptocurrency.

A delusion

In his [most recent letter](#) to Berkshire shareholders, the GOAT of investing never mentioned cryptocurrencies. Avid crypto supporters don't like him much because he's a vocal critic. Buffett describes Bitcoin — or cryptocurrencies in general — as a worthless and risky, speculative asset. He told *CNBC* in February 2019, "It's basically a delusion."

Alarming bull market cycle

According to BTCC exchange founder Bobby Lee, this year is a bull market for Bitcoin. He predicts the price will hit US\$100,000 by summer and close the year at US\$300,000. Lee warns, however, that Bitcoin could face a winter that could drag for years. The price could fall as much as 90% from its peak.

Other BTC advocates believe the remarkable run will continue as more institutional investors buy the cryptocurrency. They argue further that it could act as a hedge against inflation should it rise soon. Lee said, "I don't know if history will repeat itself, but what we do know is that Bitcoin bull-market cycles come every four years, and this is a big one."

Bitcoin in the mainstream

If you recall, after 2017, Bitcoin plunged below US\$4,000 from \$20,000 in a little over a year. Critics say it could happen again if institutional adoption is limited or weak. Three Bitcoin exchange-traded funds (ETFs), **Purpose Bitcoin ETF**, **Evolve Bitcoin**, and **CI Galaxy Bitcoin ETF** trade on the TSX.

Investors have a way now to invest in Bitcoin without actually holding the token. You can entrust the management and custody of the digital asset to fund managers for a minimal fee.

Hotter than BTC

If you desire a more secure option to gain access to bitcoin, consider **Hut 8 Mining** (TSXV:HUT). The crypto stock outperforms BTC. The current share price of \$10.57 is 1,477.6% higher than it was a year ago. Had you invested \$2,000 then, your money would be worth \$31,552.24 today.

The Toronto-based company's market capitalization is \$1.16 billion, and it engages in industrial-scale Bitcoin mining operations. It owns and operates the 56 BlockBox and 38 BlockBox AC data centres in Medicine Hat and Drumheller, Alberta.

Hut 8 holds more self-mined Bitcoin than any other publicly traded Bitcoin miner in the world. As of February 17, 2021, the balance sheet shows 3,012 in Bitcoin holdings. It should be a tremendous advantage to investors who will use Bitcoin as a hedge against inflation. Like Bitcoin ETFs, you don't need to create online wallets or store Bitcoin safely when you invest in Hut 8.

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