



## Bitcoin Has Skyrocketed in 2021: Should You Buy it From Coinbase?

### Description

Cryptocurrency trading platform Coinbase became public on April 14, 2021. Coinbase is expected to be worth more than most [major banks](#) across North America. This hotly anticipated listing was expected to allow some investors to add exposure to this exciting new industry for the first time.

However, Canadian investors might get better exposure to the cryptocurrency space through stocks already listed in Canada. Coinbase going public is a major move. Today I will discuss the Initial Public Offering (IPO) and how Canadian investors can consider betting on the future of Bitcoin.

### Coinbase IPO

Coinbase is trading for US\$322 at writing. This was the first major direct listing to take place on the NASDAQ. Similar previous listings were on the **New York Stock Exchange**. Coinbase began in 2012, at a time when few people even knew about Bitcoin. Many crypto exchanges at the time were run from garages and homes.

Coinbase's founders understood the immense potential for Bitcoin and valued prioritizing strict regulatory compliance as part of the operation. The decision allowed Coinbase to grow in the US. Despite its substantial popularity, there may be better alternatives for you to consider if you seek exposure to Bitcoin.

### Direct Bitcoin investment

Wealthfront added cryptocurrency trading to its platforms, allowing users to trade digital assets directly. You can now buy and hold Bitcoin, Ethereum, and other cryptocurrencies directly through the trading app. **PayPal** is a payment platform that lets Canadians buy Bitcoin directly. Cryptocurrency exchanges like Binance can also let you buy the cryptocurrency directly.

## Bitcoin ETF

**Purpose Bitcoin ETF** ([TSX:BTCC.B](#)) is not exactly a way for you to purchase Bitcoin directly. This was the world's first ETF that focuses solely on Bitcoin. Trading in ETFs that focus on Bitcoin instead of buying the cryptocurrency itself could arguably be a safer way to gain exposure to Bitcoin.

The ETF management company is responsible for storing the Bitcoin it holds safely and implementing cybersecurity protocols to protect its holdings from cyber attackers. The ETF also qualifies for the Tax-Free Savings Account (TFSA) and Registered Retirement Savings Plan (RRSP). It means that you can mitigate capital gains tax on your indirect Bitcoin holdings, letting you enjoy all the returns [tax-free](#).

## Bitcoin stocks

Investing in Bitcoin stocks is another indirect method to gain indirect exposure to the cryptocurrency. Several cryptocurrency mining stocks are trading on the **TSX** right now. **HIVE Blockchain** (TSX:HIVE) is one such stock that you can consider. Crypto mining companies own and operate server farms that solve complex mathematical problems to win a percentage of newly minted BTC.

The company sells some of the Bitcoin it earns to fund expansion operations and retains the rest in reserve. HIVE has seen an over 2,300% rise in its valuation in the last 12 months. Simultaneously, Bitcoin's returns have been in the 700% region with a high degree of volatility.

HIVE Blockchain and other such crypto mining stocks effectively serve as a proxy to the digital assets industry and offer an unconventional exposure to investors.

## Foolish takeaway

The Coinbase IPO is undoubtedly one of the most significant tech listings this year. Experts anticipate the company to be worth a lot more than major financial institutions. It is too early to say whether that will happen. However, Canadian investors have better alternatives to Coinbase if they want Bitcoin exposure as ETFs and crypto mining stocks.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:BTCC.B (Purpose Bitcoin ETF)
2. TSXV:HIVE (Hive Blockchain Technologies)

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