



For Those Who Believe The Run in NFTs Isn't Over, This Stock Is Intriguing

Description

The Non-fungible token or NFT market is still attracting a lot of attention. Yes, sentiment appears to be waning somewhat from the NFT peak we saw earlier this year. Despite rapid growth in the volume of NFTs offered of late, average selling prices have come down considerably of late.

However, seeing various NFTs selling for multi-million dollar price tags has certainly invited a lot of interest in this nascent space. I think we're still in the very early innings of this speculative mania right now. Accordingly, investors intrigued by the potential in this space may be enticed to dip their toe in today.

Here's what investors may want to know about NFTs, for those looking at this space for the first time.

Non-fungible tokens 101

An NFT is a unique digital token that can be bought or sold on the blockchain. These tokens are one-of-a-kind and come with a certificate of authenticity. Contrary to other cryptocurrencies that are fungible, for example, Bitcoin, they are not mutually interchangeable. NFTs can cover almost anything in the digital universe.

NFTs typically take the form of digital artwork, video clips, tweets, GIFs, etc. Recently, **Twitter** CEO Jack Dorsey, sold his first tweet for a whopping \$2.9 million. The iconic Nyan Cat GIF created by Chris Torres went for \$600 million. Accordingly, the value ascribed to these NFTs aligns with the rarity of said digital item, as well as supply and demand.

This is still a very new space, and remains highly speculative. However, the collectible nature of NFTs makes these assets intriguing prospective investments for hyper-growth investors today.

How does one invest in NFTs?

For sophisticated investors who understand how cryptocurrencies and the blockchain work, holding

NFTs in a digital wallet is one option. That said, a growing number of publicly-traded companies now offer exposure to NFTs. For the less-sophisticated investor looking for leverage to this trade, this may be the better way to go.

An example of one such company on the **TSX** is **CurrencyWorks** (TSXV:CWRK). This company is listed on the TSX Venture Exchange and has become increasingly popular among the NFT crowd. In fact, this stock has skyrocketed more than 200% since the beginning of the year amid growing interest in NTFs. That said, this stock still trades at a 40% discount to its peak, which coincided with the peak in NFT mania.

My take on this space is that it remains highly speculative. Those looking to put a small amount of capital to work in this sector should feel free to do so, and CurrencyWorks is one option. However, I wouldn't bet the farm on this one. I'd caution investors to practice prudent position sizing with such speculative plays in their portfolio at all times.

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