



Forget Bitcoin: 2 Top Gold and Silver Stocks to Buy Instead

Description

Just when you thought it was safe to own Bitcoin amid its recent calm, the cryptocurrency proceeds to plunge over 20% in what seemed like an instant. **JP Morgan**, who thought the popular crypto could make a move to US\$120,000 over calming volatility, recently alerted crypto investors over the potential for negative momentum to pick up.

Undoubtedly, Bitcoin has lived up to its reputation as a wildly volatile asset, but with a bottom put in at around US\$50,000, does the latest plunge just reinforce the thesis that the cryptocurrency is a mainstay? Or could the latest crypto bust just be an early symptom of something far more horrific?

I have no idea. Bitcoin remains nearly impossible to evaluate, given the regulatory risks. Lately, Bitcoin has been a superior alternative to precious metals. Gold and silver stocks have been under considerable pressure this year, likely because of the substitution effect. People, especially young people like millennials, view Bitcoin and other cryptocurrencies such as Dogecoin as the new gold. Call it the millennial gold, if you will.

Will Bitcoin steal the lustre from gold and silver stocks?

While Bitcoin and the like have been around for over a decade, it's important to remember that gold and silver have been a proven store of wealth and a means of transaction for centuries. Tulip bulbs couldn't dethrone gold and silver back in the 1600s, and I'm not so sure cryptocurrencies like Bitcoin can do it this time around.

I don't believe that Bitcoin is a suitable gold alternative. However, I do think it's a great asset to trade or gamble excess cash with. The casinos are closed, and the slew of Bitcoin and Ether ETFs are a great way to spin the roulette wheel.

For people who want to preserve their wealth, though, I think it's hard to dethrone gold and silver as an investment. And in this piece, we'll have a look at a gold stock and a silver stock that may be in a position to surge if ever there's a crypto crackdown that pulls the curtains on the Bitcoin trade.

Now, I have no idea when or if crypto will go bust again, as it did back in late-2017 and early-2018. But I do know that gold and silver stocks could regain their lustre again if the crypto boom were to go bust.

Top gold and silver stocks on the TSX

If you're looking to punch your ticket to the gold or silver miners while they're being outshined by crypto miners like **HIVE Blockchain**, consider **Barrick Gold** and **Fortuna Majestic Silver** ([TSX:FR](#)), my top picks in the gold and silver mining arenas, respectively.

Barrick Gold is the gold standard as far as miners are concerned. The company has decent production costs, yet shares have amplified the recent weakness in the price of gold, plunging from \$40 and change to \$23 before bouncing back to \$26 and change, where the stock currently sits today.

If Barrick is the gold standard, then Fortuna Majestic Silver is the silver standard. Fellow Fool Chris Liew thinks the name as one of his top picks for 2021.

"First Majestic aims to be the world's purest silver producer. In Q3 2020 (quarter ended September 30, 2020), the company posted a record quarterly revenue of \$125.9 million, a 30% increase versus the Q3 2019," [Liew wrote](#).

I think Liew is right on the money with Fortuna; it's a stealth silver king that I believe will outperform Bitcoin or anything blockchain-related over the next [decade](#).

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