



BTC or AC Stock: Here's Where I'm Putting My Money

Description

Two of the top investment ideas Canadians have been considering lately are **Bitcoin** (BTC) and **Air Canada** ([TSX:AC](#)) stock. However, although they have both been popular, Bitcoin and AC stock have had drastically different performances over the last year.

On the one hand, Bitcoin and the entire cryptocurrency sector have a tonne of potential right now. Plus, it's proven repeatedly that it can defy the skeptics and grow at an insane pace.

On the other hand, Air Canada has been one of the most beaten-up stocks on the **TSX**. Investors are thus understandably having a tough time deciding on the best investment to make today.

With AC stock down 50% since the start of 2020 and BTC up 650% in that time, the two assets couldn't be more different. Deciding between the growth potential of Bitcoin and the apparent value available with an Air Canada stock is not as easy as deciding between [growth stocks](#) and [value stocks](#), though.

Investors have to weigh all the potential risks and rewards of each investment, as well as the assets they hold already, to decide what's the best investment to make.

Is AC stock worth an investment?

Air Canada's business has struggled for a while, but many investors thought that by now, its stock would have recovered.

When the first vaccines were announced back in December, AC stock got a slight bump. However, it's since come back down, and for the better part of a year now, has traded sideways.

So the choice is yours. With AC stock, you're counting on a rebound, unlike BTC, which you're buying for its long-term growth potential.

Air Canada's operations are almost completely on hold at the moment. So it may seem natural that the

stock is still nowhere near its pre-pandemic price of \$50 a share.

However, if you think that once the economy opens up and its operations get back up and running, that AC stock will recover rapidly back to its pre-pandemic price, there's a strong chance you'll be disappointed.

There are many of factors that make up the value of a stock. So with increased debt, as well as more shares outstanding, Air Canada will need to be earning more and have a higher market capitalization than it did before the pandemic to reach that \$50 a share milestone.

Should you buy BTC?

In my opinion, when you consider the risk and uncertainty of buying AC stock today, it's not worth an investment, not compared to buying BTC.

The maximum return you can expect over the next few years at the earliest is a 100% gain. Bitcoin has the potential to grow far more than that. Furthermore, they are completely different assets.

So you can find other stocks with exposure to the reopening of the economy that have more potential than AC stock. In comparison, an investment in BTC is one of the best ways to gain exposure to the cryptocurrency industry. That's why I'd much rather make an investment in BTC today.

There are several ways you can gain exposure as well. A popular choice is the **Purpose Bitcoin ETF**. The Purpose Bitcoin ETF is one of the most straightforward [crypto stocks](#) you can buy.

The fund buys and holds BTC, so investors have a simple investment that's highly liquid and eligible for registered accounts like the TFSA.

Several funds like this have emerged recently, making it extremely easy to gain exposure to Bitcoin and other cryptocurrencies. It's part of what's driven so much popularity in the industry recently and why, in my opinion, BTC is a much better investment than AC stock today.

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