



Ethereum ETFs Are Soaring: Buy Them While They're Hot?

Description

Bitcoin led the upward charge for the cryptocurrency world for quite some time, but now it's Ethereum and [Dogecoin](#) that are hogging the limelight. The former cryptocurrency is a top contender to outperform Bitcoin, while the latter digital token, which was created as a complete joke, is leaving its doubters in awe.

Undoubtedly, Dogecoin was hilarious at first. But nobody is laughing now after the cryptocurrency's incredible run. Some investors who told themselves they'd never get involved with such are considering initiating positions in a token that may or may not be around in 10 years from now.

Ethereum ETFs: To bet or not to bet?

If you're keen on cryptocurrencies but are not one to gamble on meme coins like Dogecoin, you have probably got your sights set on the fresh slate of Ether and Ethereum ETFs that recently went live on the **TSX Index** two week ago. The **Purpose Ether ETF**, the **CI Galaxy Ethereum ETF**, and the **Evolve Ether ETF** have been red-hot in their few weeks of existence. I think they're way too hot to handle right now, but for Canadians who are keen, the CI Galaxy Ethereum ETF looks to the best of the batch, as it has the lowest fees.

But should the average investor who's tempted by the siren song of quick [riches](#) hop aboard the Ethereum bandwagon before they can give Bitcoin a run for its money?

I don't think so. Chasing cryptocurrencies is a dangerously risky proposition and wouldn't encourage anyone who's not willing to lose their shirts to do it. With Bitcoin hovering around the US\$50,000 to US\$60,000 range, Ethereum is blasting off to new highs (recently flirting with the US\$3,500 mark), enticing some Bitcoin speculators to jump ship.

The momentum has run dry in Bitcoin, and the timing of Canada's Ether and Ethereum ETFs couldn't have come at a better time.

Only time will tell if Ethereum can continue outperforming Bitcoin. But one thing is for sure, the firms

bringing Ether and Ethereum ETFs to the markets are going to be raking in the fees amid Ethereum's latest rally. As it continues surging to new heights, I'd urge most beginners to steer clear and look to gold, old-fashioned gold stocks if they're looking for an alternative asset that can better hold its value in the face of a potential uptick in the rate of inflation.

Looking to hide from inflation? Gold stocks may be a better bet

U.S. Treasury Secretary Janet Yellen recently hinted that higher rates could be in the cards to prevent an overheating economy, causing the broader markets to trend lower on Tuesday. It was a bloodbath for tech stocks but a pretty good day for the precious metals.

While there's no question that cryptocurrencies have stolen a bit of the lustre in gold and gold miners like **Barrick Gold**, I do think the tables will eventually turn once crypto speculators realize the full extent of what a crypto crackdown could bring forth.

If Janet Yellen can bring down the equity markets with rate hike commentary that was already partially baked in following the first quarter of inflation jitters, just imagine what could happen to Ethereum and the cryptocurrency markets if Yellen were to take steps to curb the success of Bitcoin and the like.

For me, the risks with Bitcoin, Ethereum, Dogecoin, and everything in between is not worth the shot at a quick gain.

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Author

joefrenette

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