



Forget Bitcoin: This Stock Gives You Exposure to All Cryptos

Description

Why look for a needle in a haystack, when you can buy the entire haystack? That's the basic principle of diversification. And in the case of cryptocurrencies, I believe this principle is pertinent. Bitcoin, Ethereum, and Dogecoin get all the attention, but there are thousands of other cryptocurrencies, and no one can predict a clear winner.

Instead of trying to find a winner, I believe investors should add exposure to a proxy for the entire market. The volume of transactions in the [cryptocurrency space](#) has skyrocketed in recent months. The industry is now worth US\$2 trillion in aggregate. That's larger than the gross domestic product of most countries.

Some companies act as gatekeepers and bridges to this new world. These firms are most likely to benefit from the surge in valuations, in my opinion. Fortunately, one such company is listed on the Toronto Stock Exchange. Here's a closer look at the perfect stock alternative to Bitcoin, Ethereum, or even Dogecoin.

Crypto payments provider

Banxa Holdings ([TSXV:BNXA](#)) is the ultimate crypto play right now. The company offers a payment gateway between new users and cryptocurrency exchanges and devices. In other words, it handles the know-your-customer, anti-money laundering, and identification procedures to allow people to buy and sell crypto with fiat.

Banxa's platform supports all digital assets, beyond Bitcoin and Ethereum. It's also compatible with mainstream payment methods such as debit/credit cards, Interac e-transfers, bank transfers in other countries, and **Apple Pay**.

Users don't pay for these transactions. Instead, Banxa takes a cut from the merchants on the receiving end. Their client list includes heavyweights such as Abra, Binance, Ledger, OKex, among others.

In April, total transaction value was \$110 million, which represents a 1,000% year on year. It's worth noting that the *volume* of transactions should increase even if the cryptocurrency market dips, because Banxa may be processing sell and buy orders. However, if the cryptocurrency market sustains its

momentum, the stock should surge much higher in the months ahead.

Bitcoin outlook

Bitcoin's price has been remarkably stable throughout 2021. That's despite a severe dip in the tech market. It seems Bitcoin's correlation to high-growth stocks and tech companies has finally broken. Now, Bitcoin trades as an independent asset class, disconnected from the rest of the economy.

If this stability can be sustained, it won't be long before institutional investors and major corporations start adding more BTC to their balance sheets. Further adoption and more transactions is always great news for payment providers like Banxa, which is what makes it the ideal crypto play.

Bottom line

Bitcoin and Ethereum have had a stellar run over the past year. Smaller, lesser-known digital assets have appreciated even faster. Picking a winner from this gold rush is tricky. This is why I prefer a payment provider that's exposed to growing adoption for the entire market. Keep an eye on Banxa.

CATEGORY

1. Investing

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1. TSXV:BNXA (Banxa Holdings Inc.)

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