



Here's Why This Ethereum ETF Might Be the Best Crypto Stock in Canada

Description

The cryptocurrency industry has exploded since the start of 2020, with Bitcoin up a whopping 470%. However, Ethereum is up over 1,850%. So, when several Bitcoin ETFs were launched in Canada earlier this year, many investors were eagerly waiting for an Ethereum one.

The crypto industry is a tricky place to invest, though. On the one hand, you have assets like Bitcoin and Ether that could actually be solid long-term investments. Then, on the other hand, you have assets like [Dogecoin](#), which was created as a joke and has little to no real value.

There's a reason, though, why only Ethereum and Bitcoin are going mainstream. There's a reason you can buy a Bitcoin or Ethereum ETF in Canada, but not one for Dogecoin.

There are many more cryptocurrencies like Dogecoin that offer no real value than there are like Bitcoin or Ethereum, offering real long-term potential.

In fact, you can at least spend Dogecoin in a select number of places, unlike thousands of other cryptocurrencies, which essentially have no use case.

Why Bitcoin and Ether are the top cryptocurrencies

There are certainly cryptocurrencies besides Ethereum and Bitcoin that could be worth an investment. However, as I said before, there's a reason why in Canada, you can only buy an ETF that invests in Bitcoin or Ethereum. So, unless you understand these technologies well and have hundreds of hours to do the research, your best bet is to stick with these two.

If a [cryptocurrency](#) is going to have value as a real currency, one of the most fundamental things it needs are use cases that give it value. For Bitcoin, because it's so widely held globally, it's a growing medium of exchange. Plus, as it's gotten less volatile over the last year, it's quickly becoming a store of value, especially with many fiat currencies being devalued globally.

The list of places you can spend it continues to grow. Without that, though, Bitcoin would have a lot

less value.

Other cryptocurrencies, such as Ether, are worth an investment because of the blockchain technology they power. Investors have caught onto this, which is why soon after several Bitcoin ETFs were launched in Canada, so too was an Ethereum ETF.

The Ethereum network continues to have a tonne of potential. Having the ability to enable smart contracts is just the tip of the iceberg, and this technology will only continue to grow as the cryptocurrency industry expands.

For example, many of the most valuable cryptocurrencies you can buy operate on the Ethereum network. An example is Wrapped Bitcoin, the 22nd most valuable cryptocurrency in the world.

Wrapped Bitcoin is a token on the Ethereum network that can be exchanged 1:1 with a real Bitcoin. However, the Wrapped Bitcoin was created so that investors could use Bitcoin more freely and easily on the Ethereum network.

So, while there are plenty of reasons to buy Bitcoin, in my view, the potential Ethereum offers investors over the long term is unmatched.

A top Ethereum ETF in Canada

There are a variety of ways to gain exposure to Ether. You could buy it yourself, or you could buy a stock with heavy exposure to Ethereum. However, one of the best ways, in my view, is to buy **CI Galaxy Ethereum ETF** ([TSX:ETHX.B](#)).

Owning [the ETF](#) is a superior investment for several reasons. Firstly, buying the ETF that holds Ether can be beneficial if you do it in a registered account like the TFSA.

This would allow you to save on the taxes instead of buying the Ether yourself outside a registered investment account. With Ether prices up 1,500% over the last 12 months, saving on taxes is a big consideration.

Plus, buying it yourself can be complicated and extremely costly. It will almost surely be cheaper for most investors to simply pay the commission costs of buying an ETF.

Furthermore, buying the ETF is not just less risky than buying the Ether yourself. It's also a lot less risky than buying a cryptocurrency miner.

Much of the growth and innovation in cryptocurrency happens on the Ethereum network. So, if you're looking to gain exposure to the rapidly growing cryptocurrency industry, this Ethereum ETF is one of the top investments in Canada.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:ETHX.B (CI Galaxy Ethereum ETF)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Stocks for Beginners

Date

2025/08/18

Date Created

2021/05/14

Author

danieldacosta

default watermark

default watermark