



Cineplex (TSX:CGX) Stock: Buy it Instead of Dogecoin for Big Upside

Description

Dogecoin — it started out as a joke. But today, it's the fifth most valuable cryptocurrency in the world. Cryptocurrency can theoretically facilitate the transfer of funds and eliminate the third party. But it's also a world of speculation and high risk. Nevertheless, many investors are clamouring over this highly volatile instrument. But before you take the plunge, consider **Cineplex** ([TSX:CGX](#)) stock instead.

Read on, and I'll share with you why Cineplex stock is a much better bet than Dogecoin.

From two different worlds: Dogecoin versus Cineplex

Dogecoin is a cryptocurrency. Its value has risen almost 60% in the last month. Trading in cryptocurrency is nothing short of extreme volatility. It's a speculative bet, because it does not have true value. Dogecoin is a proposed, new way of facilitating transactions. Also, it doesn't have mainstream acceptance as a method of payment. And, like other cryptocurrencies, it has no fundamental backing. It's a pure speculation game that can be likened to buying a lottery ticket or gambling at a casino.

Most investors don't have too much money that they're able or willing to lose. [The volatility of the dogecoin trade](#) is not something that most of us should participate in. But we do, of course, want to participate in as much upside as we possibly can. So, how can we gain access to big upside without taking on the risk of dramatic downside? Cineplex stock might fit the bill. [The company has been pretty much shut down](#) over the last year and a half. Therefore, Cineplex's stock price has tumbled over 60% since before the pandemic.

Cineplex stock beats Dogecoin any day

With investing, we must consider the potential downside as well as potential upside. Cineplex has assets all over the country. It has a business that generates strong cash flows and returns. Yes, it's been stuck in the dumps as it has been forced to close its theatres. But today, Canada is rapidly expanding vaccination efforts. COVID-19 cases are plummeting. All of this allows us to keep our eye

on what comes next. With theatres and recreational rooms re-opening, how high can Cineplex stock go? Well, it was at \$34 before the pandemic hit. That's over 150% higher than today's price.



And before the pandemic, Cineplex's stock price was trading even higher — well above \$40. With the reopening of society, will people flock to movie theatres and Rec Rooms? Will people be so tired of being home and watching movies at home? I think the potential for this rush is huge. I think Cineplex stands to gain big over the next few months.

Dogecoin, however, is wildly volatile. And it's hard to figure out what's moving it beyond what famous people like Elon Musk say about it. There's no fundamental grounding. There's just hearsay and speculation. Cineplex is backed by a real business, with assets of over \$2 billion. And it's a business that generated annual cash flows of over \$300 million in 2019, when things were "normal." This is something we can sink our teeth into.

Motley Fool: The bottom line

Dogecoin has sure had a great run lately. But it's also a very volatile run that is not suited for most fundamentally based investors. I recommend that we steer clear of speculative bets like Dogecoin. Instead, focus on the sound discipline of investing. Cineplex is a better, more calculated bet with plenty of upside to be had.

CATEGORY

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1. TSX:CGX (Cineplex Inc.)

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