



## Forget Coinbase Stock: Buy Ether for Long-Term Growth

### Description

The massive explosion of popularity in the cryptocurrency industry the last year has had numerous consequences and outcomes. Besides Bitcoin, Ether and other lesser-known cryptocurrencies rallying substantially, stocks in the industry, such as **Coinbase** ([NASDAQ:COIN](#)), have attracted attention from investors too.

It's understandable that investors want new ways to play the industry. There's certainly some potential for Coinbase stock as exchanges are some of the fastest-growing companies in an industry that continues to see new coins created every day.

Despite this potential, though, I believe it won't last as long or offer nearly as much total growth potential as the Ethereum blockchain, and therefore its native cryptocurrency, Ether.

### What are Coinbase stock's biggest headwinds?

One of the biggest challenges Coinbase or any crypto exchange faces is the competition in the space. Because there are few regulations and they are different worldwide, there are several ways to get into the crypto industry.

Whether it's a massive competitor like Binance or one of the hundreds of smaller exchanges, there are also crypto on-boarding platforms that allow investors to purchase the major coins such as Ether and Bitcoin.

All of this competition means a smaller slice of the pie for Coinbase unless it can differentiate itself from the competition.

Another issue it faces is the fact that it relies on heavy trading in the industry and growth in popularity. That hasn't been a problem over the last year. However, it's unlikely this popularity in the industry will grow forever.

With thousands of coins in existence today, there will inevitably be consolidation in the industry. So in

my view, it will be tough for Coinbase to grow long term, which is why I'd rather own the top cryptocurrencies such as Ether as a long-term investment.

## Why Ethereum is better

Although Ether is in the [cryptocurrency industry](#), it's a completely different investment than Coinbase stock. It's entirely possible that Ether could rally rapidly for years, while Coinbase doesn't grow at all.

Ether is such a quality investment because it's the native currency of the most actively used blockchain, Ethereum.

The Ethereum blockchain has opened up a tonne of doors and possibilities in the crypto industry spurring huge innovation. As developers continue to come up with unique decentralized apps to run on the Ethereum network, Ether will see ever-increasing demand to power these smart contracts.

That's why Ether has so much potential and has been rallying considerably the last year. Not only have more investors realized its potential and bought up Ether, but the industry continues to see more innovation, driving up the demand for Ether.

Some of the biggest cryptocurrencies in existence run on the Ethereum network. One such innovation is the token Wrapped Bitcoin, which is used on the Ethereum network. A Wrapped Bitcoin can be exchanged one for one with a regular Bitcoin and was created so users can send and use Bitcoin more freely on the Ethereum blockchain.

With little competition and massive barriers to entry, Ethereum has a lot going for it. That's why it's my preferred long-term investment in the space and why I'd much rather own it or other high-potential cryptocurrencies than I would Coinbase stock.

## The top Ether stock to buy now

In my view, the best way to own Ether is through a fund that will give you direct exposure, such as the **CI Galaxy Ethereum** ([TSX:ETHX.B](#)).

This is the most straightforward way to invest in Ether, which means that investors only have to worry about the price of the cryptocurrency and nothing else.

The [ETF](#) offers a lot more benefits too. It allows you to gain exposure without having to go through the complicated process yourself. It's a very low-cost way of buying Ether. The fund acts as a custodian and holds your Ether offline. Plus, you can buy it in a registered account and save on the tax.

In my view, Ether has some of the best growth potential in the popular industry of cryptocurrency, which is why the ETF is one of the best growth stocks to buy now. Just make sure you're making a long-term investment. These stocks can be highly volatile.

### CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. NASDAQ:COIN (Coinbase Global)
2. TSX:ETHX.B (CI Galaxy Ethereum ETF)

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