



## What's the Safest Way to Buy Cryptocurrencies in Canada?

### Description

Investing in cryptocurrencies is not necessarily the same as investing in equities. There are cryptocurrency stocks you can buy that offer similar exposure. However, if you actually want to buy the cryptocurrency yourself, it's not so straightforward.

Buying cryptocurrencies can be convoluted, because there are tonnes of different exchanges to choose from. Furthermore, each exchange will have its own set of fees. Then on top of that, some exchanges only allow you to buy and sell certain coins.

The result can be a very difficult and expensive process moving your money around to different exchanges to buy the coins you want and minimize the fees you pay.

It's also crucial to remember that the industry is mostly unregulated. This means that it can be ripe for fraud, and simple things like sending coins can be complicated and easy to mess up. Most often, if you send coins to the wrong address, you can lose them forever.

This is a significant amount of risk, and all without even mentioning the volatility and natural speculation that the industry usually sees.

### Keep in mind the risks

The first tip to make sure you're as safe and careful as possible is to always remember the risks. This will help you avoid making those mistakes, but it will also put you in a more careful mindset when considering what you want to buy as an investment.

Another tip for investors is to consider buying stocks that have crypto exposure.

I wouldn't buy a stock just because it's exposed to cryptocurrency. However, if it's a crypto you were already going to invest in, such as Bitcoin, for example, and you can find a stock that gives you significant exposure, you may want to consider buying that over the actual coin.

## A top cryptocurrency stock to buy now

Many of the above risks you can avoid buying a quality [crypto stock](#). Because I'm bullish on Ether, one of my personal favourites is **CI Galaxy Ethereum ETF** ([TSX:ETHX.B](#)).

[The ETF](#) buys and holds Ether for investors, offering exposure directly to the cryptocurrency. Some of the benefits include the fact that the fund acts as a custodian for investors.

This means that the ETF will do all the hard work for you while only charging a small fee. Choosing to buy one of these ETFs can be well worth it for several reasons.

Because the fund buys and sells the cryptocurrencies itself, you don't have to worry about sending the money to the wrong address and having it sit in limbo forever. Furthermore, the fund holds the coins in an offline wallet, making it impossible to be hacked or stolen.

The fee alone and commissions to buy the ETF will almost surely be less than if you bought the coins yourself.

So, all the other benefits, which are quite valuable, you're getting for free. Plus, you can own it in a registered account and save on the massive taxes.

This means that the only risks we as investors need to focus on minimizing is the volatility and the fact that the industry is ripe with speculation.

## How to minimize risk when buying cryptocurrencies

The last way to ensure that you minimize the risk of a cryptocurrency investment is to ensure you do a tonne of research.

It's not necessarily about understanding the technology, although having a basic idea of how the blockchain works is ideal. However, researching your investment could also include researching any potential competitors or specific risks of an individual cryptocurrency.

Another way to reduce the risk of your investment, especially the risk of volatility, is to buy for the long term. There isn't much you can do to avoid short-term volatility.

However, if you are committed to the crypto for the long term and believe in its potential, then the short-term price movements shouldn't mean anything except to offer high-potential opportunities to increase your position when the crypto industry is selling off.

Lastly, investors may want to consider diversification. Owning more than one cryptocurrency could be a great way to gain further exposure to the industry while minimizing your risk.

### CATEGORY

1. Investing
2. Stocks for Beginners

3. Tech Stocks

## TICKERS GLOBAL

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

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