



Bitcoin or Ether: Which to Buy on the Dip?

Description

Cryptocurrencies were some of the surprise winners of 2020, up massively and creating a new revolution in the industry. However, after another hot start early in 2021, Bitcoin has been cooling off for a few months. Ether had been rallying consistently until recently, when a lot of negative developments in the crypto industry all came together.

New issues about Bitcoin's environmental impact and China's ban on cryptocurrencies have also played a role in cooling off the sector. Plus, the downfall of Dogecoin and all the speculators have undoubtedly driven some investors away from the industry as well.

These events, which have all happened recently, led to a big selloff in the space and nearly triggered a broader [market pullback](#). And, as is usual in the highly unregulated industry, many exchanges were down for users during this selloff, including large well-known exchanges like **Coinbase**, which also didn't help the selloff in cryptos.

So, after this massive volatility with Bitcoin, Ether, and the whole industry, investors may be wondering if any cryptocurrencies are worth an investment on the dip.

In addition to taking advantage of these low prices, though, investors can also use this opportunity to learn about how cryptocurrencies and [crypto stocks](#) trade. This almost surely won't be the last time cryptocurrencies lose a quarter of their value in a single day.

With both major cryptocurrencies recovering now, though, you don't want to miss the opportunity to buy the dip. So, here's what to consider for each.

Should you buy Bitcoin?

Bitcoin is the most popular cryptocurrency, which gives it a tonne of advantages in the crypto industry. In many cases, to buy any other cryptocurrency (except usually Ether), an investor needs to first own Bitcoin.

This gives it a major advantage, and considering there are a few places you can spend it, the currency has significant value. However, as it was the first cryptocurrency launched, it unsurprisingly has several drawbacks.

These drawbacks are things I have mentioned for a while, such as the cost to send a transaction and the possibility it could take up to hours. There are also the environmental issues.

At the moment, though, its position as the most popular gives it significant value. Maybe eventually, Bitcoin will become obsolete. For now, though, I'd expect it to continue to be one of the most popular cryptocurrencies.

Is Ether the best cryptocurrency to buy on the dip?

As much as I recommend holding some Bitcoin, I think Ether and the Ethereum network have a lot more potential. Therefore, in my view, Ether should be the biggest crypto position.

There are plenty of ways to gain exposure, such as **CI Galaxy Ethereum ETF** ([TSX:ETHX.B](#)). Buying an [ETF](#) that holds Ether has several advantages.

First off, buying Ether can be costly — similar to Bitcoin. So, for investors, it will almost surely be cheaper to buy the ETF for your portfolio. Furthermore, buying Ether yourself can be quite complicated.

Then after you buy it, you have to transfer it from an exchange to a wallet, which also could be costly to send. Not to mention, sending cryptocurrencies can be risky, and you risk losing all your money if you send it to the wrong address.

So, to buy an ETF, which you can hold in a tax-free account and will act as a custodian for your Ether, is one of the top ways to invest in the space.

And with the recent dip in price, now is the perfect time to consider adding a position.

Bottom line

Both Ether and Bitcoin present exciting opportunities for investors willing to take a long-term position. And because the two aren't really competitors, they are both worth an investment, in my view.

Though they will both be correlated to the crypto industry, they offer vastly different potential in the future. I'd use this opportunity to buy some of each, especially while they're still cheap.

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