



Bitcoin ETF Down 41.11%: Is This Fad Over?

Description

The cryptocurrency market saw itself rattled by major turbulence on May 19, 2021, as volatility picked up in the prior weekend. Bitcoin prices started declining in April after a blackout occurred in a major cryptocurrency mining region in China. The impending crackdown rumors for the burgeoning decentralized currency sector created further fears in the cryptocurrency market. Today will discuss the situation with Bitcoin, Canada's first Bitcoin ETF, and a possible alternative asset you can consider right now.

The price of Bitcoin was trading at below US\$36,900 on May 28, 2021. The world's most popular cryptocurrency has gone from trading at all-time highs north of US\$63,000 in mid-April to falling below US\$35,000 and remaining volatile around the lower price range.

Investors are at a loss for how to respond to the situation, as Bitcoin-related securities also tumble.

Bitcoin's fall

[Elon Musk's](#) participation in a *Saturday Night Live* sketch in which he referred to Dogecoin as a hustle disrupted the meme-cryptocurrency coin's valuation. Musk also suggested that electric vehicle giant **Tesla** might have already shed its Bitcoin holdings. The EV company's foray into Bitcoin with a massive US\$1.5 billion dollar buy-in was a significant contributor to Bitcoin's rise.

Musk's comments about the cryptocurrency and suggestions of his move away from it have fueled its decline.

Canada's first-ever Bitcoin-centric Exchange-Traded Fund (ETF), **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)) has nosedived by 41.11% from peak to trough. Introduced in February 2021, Purpose Bitcoin presented Canadians the opportunity to gain exposure to Bitcoin prices without directly buying the cryptocurrency. Purchasing the security also allows Canadian investors the chance to leverage any future gains in a Tax-Free Savings Account (TFSA) for tax-free wealth growth.

For a while, it seemed that investing in the Bitcoin ETF might be a viable method to retain exposure to

the cryptocurrency because Purpose Bitcoin ETF valuations held relatively stable despite a significant dip in Bitcoin prices. However, the Bitcoin ETF continues to dip, making it less attractive, and possibly, an asset to stay away from.

Foolish takeaway

You could consider investing in the Bitcoin ETF and hold onto it in case you are bullish on the long-term prospects for the world's most popular cryptocurrency. But there is no indication that the inexplicable volatility in the cryptocurrency world will end any time soon.

Fortunately, there are far better alternatives to cryptocurrency-related securities on the market that rely on fundamentals and tangible potential instead of consumer sentiment. **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is one such stock that you can consider.

After reaching over \$100 per share, Lightspeed has gone through a substantial pullback of late. Lightspeed seemed unstoppable as its shares climbed over 625% between March 20, 2020, and February 19, 2021. The stock declined almost 30% from its all-time high in February, before recovering again.

While the industry-wide pullback affected Lightspeed stock, the company gives shareholders plenty of reasons to stay confident that it will continue climbing in the future. The e-commerce sector is set to grow in the coming years.

Revenues for [e-commerce-related companies](#) like Lightspeed should continue to rise and offer more reliable wealth growth than unpredictable cryptocurrencies and Bitcoin ETFs.

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Author

adamothonman

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