



## Dogecoin vs. Bitcoin: Which Crypto to Buy on the Dip?

### Description

Whether you are a stock investor or you delve into the thunderous waters of crypto investing, you probably understand the value of a dip. Buying at the dip and cashing in your profits at the peak has been the tried and tested practice for making the best of an asset's short-term growth potential. But the problem is that buying on the dip also comes with a decent amount of risk.

And the risk is that the asset (whether a stock or a cryptocurrency) might not bounce back from the dip within the time frame you've projected for recovery. The risk is relatively higher for cryptocurrencies that are not just speculative in nature, but also subject to regulatory scrutiny throughout the world. A major stance by one of the largest economies in the world against a cryptocurrency can bury it in obscurity.

But if you believe that the crypto is sure to make a recovery and it has dipped as much as it was going to, which crypto should you invest in, Dogecoin or Bitcoin?

## Dogecoin vs. Bitcoin

Apart from the fact that Elon Musk has a bit of influence in the rise and fall of both these cryptocurrencies, [Dogecoin and Bitcoin](#) have relatively little in common. Bitcoin is as legit as a cryptocurrency can possibly be. As literally the first crypto in the world, Bitcoin can be considered a pure breed.

Dogecoin, on the other hand, started out as a joke that actually got out of hand. At one point, its market capitalization reached over \$85 billion. While most of the serious investor attention for Dogecoin comes from Elon Musk's love for this particular crypto, he is allegedly even working with some developers to improve Dogecoin.

Bitcoin, on the other hand, is facing trouble from multiple ends. With Musk now worried about Bitcoin mining's sustainability and the Chinese government cracking down on the crypto, Bitcoin would have gone down farther, but somehow, the currency is holding on.

If we assume that both Bitcoin and Dogecoin will reach their valuation goals by the end of 2021, with one reaching US\$100,000 and the other US\$1 for the first time ever, which one should you choose? The probability of Bitcoin growing to its target mark might be slightly higher than Dogecoin.

## Bitcoin ETF

If you are rooting for Bitcoin's recovery and want to invest in this over expensive crypto via relatively affordable means, 3iq's **Bitcoin Fund** ([TSX:QBTC.U](#)) might be the way to go. The fund has been tracking Bitcoin's value quite faithfully. The Canadian variant of the fund fell down about 28.7% in the last 30 days, which is quite close to Bitcoin's dip.

The fund is trading at \$52.7 per share at writing. The benefit of investing in this fund instead of the actual currency is that you gain exposure to Bitcoin's volatility and explosive growth potential and you can enjoy it in a tax-deferred account. The management fee for this particular fund is relatively higher.

## Foolish takeaway

If you are planning to invest in crypto and buying the dip, there are several other options. [Ethereum](#) has just started to recover from a serious dip, and so has Binance Coin. The cryptos that gain the most spotlight might also be suspect to the most volatility in the market, and if you want to leverage the growth potential of crypto, you should start looking into some other currencies as well.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:QBTC (The Bitcoin Fund)

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### Date

2025/08/15

**Date Created**

2021/06/01

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