



Avoid Bitcoin: 2 TSX Stocks to Buy for Safer Growth

Description

Every investment asset comes with its own set of risks. In the good, old days, when commodities were considered the ultimate investments, the risks were associated with shipping, storage, and the spoiling of perishables. The risk with the land was rare and was linked with macro factors, like a mill closing and making the nearby land unattractive for buyers.

Nowadays, the risks are different. With stocks, the risk is usually associated with the underlying business going under, losing investors' trust, or getting in financial trouble. But the risk profile of stocks is nothing compared to Bitcoin.

Why should you avoid Bitcoin?

It's important to note that Bitcoin isn't a bad investment per se. It's just too wild and unpredictable for most retail investors. Two ideal Bitcoin investor candidates (among retail investors) include people with a thorough knowledge of the crypto market and investors with disposable cash.

But retail investors who want to tuck away their money in reliable investments so they can meet their short-term financial goals and have a decent sum for retirement might consider relatively safer TSX stocks and leverage the power of relatively more predictable growth than Bitcoin can offer.

A solid metal stock

Even though we are centuries ahead of the Iron Age, [metal](#) remains an important part of humanity's foundation. The demand for iron ore is likely to grow over time for a long time, and you might be able to benefit from that growth if you invest in stocks like **Champion Iron** ([TSX:CIA](#)). The company is headquartered in Australia. Its Canadian connection is the wholly owned subsidiary Quebec Iron Ore.

It's not a very old company, but in the last five years, the company has grown its revenue at an incredible pace. The stock has followed suit, and the five-year CAGR is an unsustainably high number of 102%. If the company can mimic this rate for just five more years, your \$10,000 capital can grow to

a six-digit nest egg.

The company is also attractively valued (earnings-wise), as its price-to-earnings ratio is at 8.9, even though the stock grew over 130% in the last 12 months. However, it is relatively expensive compared to its book value. The company's long-term growth prospects seem relatively strong, but you can maximize the growth potential by waiting for the dip that might just be around the corner.

A reliable growth stock

Few growth stocks are as consistently reliable as **goeasy** ([TSX:GSY](#)). [The stock](#) has been growing quite steadily for the last five years, and although its growth pace got a significant boost after the crash and recovery, goeasy isn't a "seasonal" growth stock. Its 10-year CAGR, which is now a bit inflated thanks to its recent growth phase, is 37.6% and *might* be sustainable for the long term.

goeasy is also a Dividend Aristocrat, and its dividend growth *rivals* its capital appreciation potential. Its 2021 payout is 3.6 times higher than its 2017 payout, and the financials of the company are so strong that its payout ratio hasn't breached 30% in the last six years. goeasy offers consistent yet aggressive growth and might push your portfolio to new heights.

Foolish takeaway

A major difference between Bitcoin and the two stocks is the relative reliability of growth. Both companies have a strong position in their industry and niche and have a solid business model, which augments their long-term growth prospects. Bitcoin, however, can't offer the surety of consistent growth.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

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Date

2025/08/17

Date Created

2021/06/05

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