



1 Canadian Momentum Stock I'd Buy Over Bitcoin

Description

Young Canadian investors can afford to take on more risk for a shot at [greater rewards](#). With Bitcoin, Dogecoin, and other cryptocurrencies going bust, I'd argue that it's far more prudent to reach for some of Canada's speculative momentum stocks, rather than risk your shirt on a digital asset that very well may be worthless.

It's a rookie mistake to chase returns and momentum. It can act as a double-edged sword, and you could get [nicked](#) once it reverses course. That said, investors who have a grasp of what they stand to risk should be willing to bet on speculative plays.

Know what you stand to lose with any investment

You've probably done one of those questionnaires that financial advisors hand out to their new clients that ask you how much you'd be willing to risk for a shot at richer returns.

In the case of Bitcoin and other digital currencies, I'd argue you'd risk 90-100% of your invested capital. That makes crypto one of the riskiest plays that many beginner investors may be unaware of. Bitcoin can crash over the weekend, and it has no intrinsic value, making it nearly impossible to get a grasp of its true worth. Add ominous technical patterns, which I've pointed out in numerous prior pieces, and it's more apparent that Bitcoin is a risk that's not worth taking — at least for most young investors.

If you've got a stomach for risk and you told your advisor you'd be comfortable with seeing your investment lose 50-75% of its value, then there are terrific high-upside momentum stocks on the TSX that may be more your cup of tea.

Consider **Score Media and Gaming** (TSX:SCR)(NASDAQ:SCR), one speculative sports-betting stock that's fresh off a 70% crash but has begun heating up in a big way in recent weeks. Score shares are up 87% off their lows. And if the U.S. Federal Reserve keeps rates lower for longer, both names could sustain a rally well into year's end.

Score Media and Gaming: A momentum stock with staying power

Score is a name I've been pounding the table on over the past few weeks. Bill C-218, a bill that aims to lift the ban on single-game sports bets, is still in play, and Canadian investors are warming up to the stock again. Still, investors should know the score when it comes to the absurdly volatile high flyer.

The growth opportunity is real, and I think Score will secure a big chunk of the Canadian sports-betting market. Score (or theScore) has an incredible CEO in John Levy, who I believe can steer the company to the next level, once the nation passes C-218, effectively opening the floodgates for theScore.

At just shy of \$30, the momentum stock trades at 77 times sales. A frothy multiple that leaves one vulnerable to amplified downside risk. If you're a believer in the company's leadership and the long-term opportunity at hand, however, I'm not against dollar-cost-averaging into the name over time.

Up another 8% on Tuesday, I think the momentum is likely to build on itself. Whether shares hit all-time highs again, though, remains to be seen.

CATEGORY

1. Investing
2. Stocks for Beginners
3. Tech Stocks

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Stocks for Beginners
3. Tech Stocks

Date

2025/07/27

Date Created

2021/06/23

Author

joefrenette

default watermark