



Buy This 1 Stock for the Bitcoin Comeback

Description

Is Bitcoin making a comeback? That's the question all Bitcoin investors are asking themselves and each other. This cryptocurrency has come down a long way from its recent peak, but it didn't fall as hard as it did in its historical slumps. Between December 2017 and December 2018, [Bitcoin fell](#) about 82%, and even though its 2019 to 2020 slump was less deep, it was still over 50%.

It's too soon to tell whether Bitcoin will repeat that history or whether it will revive from this partial fall and start moving towards the US\$100,000 mark or higher. The problem with Bitcoin is that not only is the crypto market too volatile in nature, but it's also affected by global factors. The current slump was partially influenced by the Chinese government cracking down on miners and partially by Elon Musk's attitude towards Bitcoin.

Considering Bitcoin's history, it's highly likely that the crypto could make a comeback. Since pinning down *when* is difficult, you have to keep an eye on it and buy just after it starts to rise for good (around its lowest valuation).

How to buy Bitcoin

There are a few ways you can get exposure to Bitcoin. The usual method is buying the crypto directly, but you can't keep it in an RRSP or TFSA and leverage the tax advantage. Alternatively, you can buy a Bitcoin ETF, and while it offers direct exposure to the crypto, this might not be the best way to go about it.

Bitcoin stocks or stocks that are influenced by the crypto market are another option, and they might be the best option for most investors. You can keep them in a TFSA and an RRSP to take advantage of the tax benefits of investing, and they offer you a magnified exposure to crypto-related gains. [One stock](#) you might consider in this regard is **Galaxy Digital Holdings** ([TSX:GLXY](#)).

A versatile crypto company

Galaxy is exposed to Bitcoin and the crypto market as a whole in a number of ways. It facilitates crypto trading, digital asset management (with \$1.3 billion AUM), investment banking (using blockchain ecosystem), mining, and principal investments. Suffice to say that it has a multifaceted relationship with the crypto market and Bitcoin.

It's one of the reasons why the stock has fallen 45% since the yearly peak. The stock doesn't exactly *mimic* Bitcoin's valuation, but it traces the general pattern. And the good part is that if it falls higher than the cryptocurrency, it also rises higher than that. In the last 12 months, Bitcoin at most has grown around 600%, and Galaxy digital stock grew by over 2,000%.

Foolish takeaway

Bitcoin is a risky investment, but if the asset falls to a four-digit price tag, and there is even a 50% chance of recovery, it can be a transformative asset for most investors. But this notion and the fact that more investors are focused on holding onto their Bitcoin instead of flooding the market to minimize their losses make it highly improbable that the crypto will fall that hard.

CATEGORY

1. Investing
2. Tech Stocks

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1. Editor's Choice

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