



Reddit Stocks vs. Crypto: Which Is Better?

Description

Crypto and Reddit stocks are two types of assets that have delivered superior returns for investors in recent years. Crypto has posted unbelievable returns over the past decade, while Reddit stocks like **AMC Entertainment Holdings** and **GameStop** have been rising this year. In 2021, it's mainly Reddit stocks that have been giving investors results. Crypto peaked in April/May and has been trending downward since then. Reddit stocks, however, are still going strong. In this article, I'll explore the similarities and differences between Reddit stocks and crypto to help you decide which is better for your financial needs.

The case for Reddit stocks

One case for buying Reddit stocks over crypto is that stocks are much more amenable to quantitative analysis than crypto is. If you're considering an investment in a Reddit stock like **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), there are a billion fundamental and technical factors you can look at:

- Earnings
- Balance sheet strength
- Cash flow
- News about new contracts and other operational factors
- Technical signals pertaining to the stock price

With [tech stocks like BlackBerry](#), all of this is available to you. With a cryptocurrency like Bitcoin, you're pretty much limited to news and technical signals. So, with Reddit stocks like BB, you have a lot more data to work with than you do with any cryptocurrency.

The case for crypto

There are several factors that make crypto arguably better than Reddit stocks.

For one thing, it has a longer-term track record. The Reddit stock phenomenon has only really been a

“thing” this year. Most of the stocks themselves are pretty old, but their superior returns based on social media hype have been mostly a product of 2021’s unique cultural climate. The crypto market, however, has been growing like wildfire since Bitcoin was invented in 2009. So, you have more history to draw on with crypto than with meme stocks.

Second, crypto doesn’t depend as much on a specific catalyst as Reddit stocks do. Many investors in BlackBerry, AMC, etc. are hoping for a “short-squeeze” scenario where shorts have to cover at extreme losses, sending the stock price higher. This all depends on the stock prices still being relatively high when shorts cover. If, say, BlackBerry drops to \$2 before shorts cover, then the forced purchases might not take it back to today’s price. Crypto does not depend on an overly specific catalyst like a short squeeze, so it could be seen as more of a long-term, “all-weather investment” than Reddit stocks.

The big downside with crypto, of course, is security. The major crypto exchanges/wallets are making strides toward insurance and other conventional protections you get from a bank, but they’re not quite there yet. The fact still remains that if you lose your password, your crypto is gone. So, if you want to take a position in crypto you might want to [do so through an ETF](#) like the **Purpose Bitcoin ETF**. You’ll pay a fee for the privilege of enhanced security, but the flipside is, your position will be safer.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:BTCC.B (Purpose Bitcoin ETF)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
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Date

2025/09/18

Date Created

2021/06/30

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