



## 3 Ways to Bet on a Bitcoin Rebound

### Description

Bitcoin has lost roughly half its value this year. In recent months the price seems to be caught in a tight range. However, a new price prediction model seems to indicate that the digital asset will quickly rebound. Here's a closer look at what this model says BTC should be worth and three ways you can bet on it.

### Bitcoin's rebound

An anonymous professional investor proposed using the stock-to-flow model to predict the price of Bitcoin. This model is used to predict the value of gold or other commodities. The underlying theory is that the flow of new assets and the supply of existing assets should help determine the market price of the asset at any given time.

Bitcoin's stock-to-flow seems to suggest that the asset should be worth US\$102,000 or C\$128,560 right now. This implies an upside potential of roughly 200%. In other words, the digital asset could be worth thrice as much relatively shortly.

While the model has worked well in the past, some critics argue that its ability to predict future prices is exaggerated. Nevertheless, Bitcoin's ability to rebound from current levels can't be denied. If you're optimistic about such a rebound, here are some of the ways you can bet on it.

### Bitcoin ETF

An Exchange-Traded Fund (ETF) is always a convenient option for adding exposure to digital assets. Investors in the **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)), for instance, don't need to worry about security or custody. Purpose stores the Bitcoin on your behalf. The ETF also qualifies for your Tax-Free Savings Account (TFSA). So if it achieves that 200% upside, you could mitigate the tax liability by investing through your TFSA.

For most investors, these ETFs are the most straightforward and convenient options. However, if you're looking for higher returns you could consider recently-listed crypto stocks with wider exposure.

## Bitcoin payments

Stocks like **Banxa Holdings** ([TSXV:BNXA](#)) are exposed to a wider range of cryptocurrencies. Banxa handles crypto payments for some of the largest FinTech firms on the planet. Their partners include Abra, Ledger, Binance, and FTX.

Banxa is the fiat gateway for all these platforms. In other words, it helps users convert their traditional currencies into cryptocurrencies. It also handles anti-money laundering and Know Your Customer (KYC) regulations on the customers' behalf, which makes it a key player in the cryptocurrency sector.

Banxa's revenue and profits have jumped tremendously over the past year, as crypto adoption grew. Now, the stock is down 63% from its all-time high. This could be an opportunity for long-term investors to add some exposure to this growing sector.

## Bitcoin mining

Mining stocks like **HIVE Blockchain Technologies** ([TSXV:HIVE](#)) are probably in the best position right now. China's clampdown on the mining sector has reduced competition dramatically. That means HIVE's profit margins are wider than ever. Even if BTC remains range-bound, the company could have a very lucrative quarter.

However, if BTC rebounds strongly, then [HIVE stock could follow along](#). The stock is currently trading 58% lower than its all-time high. As profits rise and the stock price drops, HIVE stock could be more fairly valued than it's ever been. Keep an eye on it.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:BTCC.B (Purpose Bitcoin ETF)
2. TSXV:BNXA (Banxa Holdings Inc.)
3. TSXV:HIVE (Hive Blockchain Technologies)

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