



The Unconventional Investment: Crypto Stocks to Buy When They Dip

Description

Bitcoin, Ethereum, Dogecoin are some of the [cryptocurrencies](#) with a bright future. Crypto is an unconventional investment that has its own rules. A conventional stock dips on the regulatory crackdown, but the unconventional crypto surged.

How unconventional crypto investors think

The way new-age investors think is different from traditional investors. The stock market surged during the pandemic at a time when the economy collapsed. Meme stocks with weak fundamentals and nearing bankruptcy surged triple-digit in a matter of days. Crypto coins surged over 1,000% in three months on tweets from Elon Musk. The new-age investors are rebels that look for a silver lining in the darkest clouds.

Bitcoin price halved between May 9 and July 20, but it surged 50% in the last 20 days. It halved not because of China's regulatory crackdown. It halved because **Tesla** backed out from accepting Bitcoin. What new-age investors look for is mass acceptance. Recently, there were rumours that **Amazon** might accept payment in Bitcoin, but the e-commerce giant denied such rumours. **AMC** then said it would [accept](#) Bitcoin.

The growing uproar about Bitcoin has made regulators uncomfortable. The U.S. government is no longer taking crypto lightly. It is working out the \$550 billion bipartisan infrastructure package for a crypto regulatory infrastructure. The package would require crypto brokers to report transactions to the Internal Revenue Service (IRS) and businesses to report crypto trade over US\$10,000. The Canadian government is also levying capital gains tax on crypto gains.

The U.S. Securities and Exchange Commission Chair Gary Gensler is also considering approving a Bitcoin ETF. The **Toronto Stock Exchange** already launched the first Bitcoin ETF in February.

You might have thought this regulatory uncertainty will pull down the crypto price. But unconventional investors think of regulatory interest as a positive sign toward crypto entering the level of global acceptance.

Investing in crypto stocks

The crypto price volatility is rising and cycles are becoming smaller. Anything related to crypto will be highly volatile, but once it achieves the status of the global currency, it could be a millionaire maker. If you wait with patience for 10-15 years, these three crypto-related stocks could become your best investments.

Bitcoin ETF

As I said before, Canada launched its first **Purpose Bitcoin CAD ETF** ([TSX:BTCC.B](#)) in February. Like any commodity ETF, it buys and holds Bitcoin in a safe digital vault. The problem with the Bitcoin wallet is that if you forget your login credentials, your BTC is lost forever. Many crypto miners lost their millions of fortune this way.

The ETF relieves you of this tension. You can gain exposure to the BTC price momentum with the ease of your online broker. I would suggest you buy the ETF through the Tax-Free Savings Account (TFSA) as it will make your investment gains tax-free. The ETF charges a 1% management fee, which is quite high compared to other passive ETFs, but BTC can give you significant returns.

In the April-July period when the Bitcoin price halved, the ETF fell 52%. Now when the BTC price surged 50% in the last 20 days, the ETF surged 53%. And unlike BTC, the ETF is easier to sell. You get the benefit of Bitcoin at the comfort of the stock.

Blockchain stocks

Apart from the ETF, there are Bitcoin mining companies that run data centres to mine crypto. One such stock are **Hive Blockchain Technologies** ([TSXV:HIVE](#)).

Hive is one of the oldest blockchain companies. Its main source of revenue is crypto mining. It has a reserve of Bitcoin and Ethereum, which it has mined over the years. Hive also earns a fee for validating the transactions. Hive is a more tangible investment with revenue and profit. It has a high-performance computing capacity and is looking to [diversify](#) its revenue and innovate in other blockchain applications.

Hive stock moves in tandem with Bitcoin price. You can therefore gain exposure to BTC price volatility and any breakthrough in blockchain applications in the future.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:BTCC.B (Purpose Bitcoin ETF)
2. TSXV:HIVE (Hive Blockchain Technologies)

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