



Bitcoin Roars Past US\$50,000 as Bulls Declare Victory

Description

It's beginning to look like a new Bitcoin bull market is underway. Yesterday, the world's largest cryptocurrency topped US\$50,000 — a level it hadn't seen in many months. Bulls were celebrating on **Twitter**, as figures like Cameron Winklevoss, Anthony Pompliano, and even Busta Rhymes expressed positive sentiment.

It's been a sharp contrast from just two months ago, when bears were celebrating and even bulls were beginning to retreat. At one point, BTC sank to US\$30,000 — its lowest level since January 1. That all appears to be behind us. Bitcoin is rallying again, and bulls are declaring victory. In this article, I'll explore some factors behind the Bitcoin bull market and the question of whether Bitcoin is a good buy today.

What's behind the rally?

A number of factors have helped propel Bitcoin higher over the last month. Some notable ones include the following:

- Increasingly bullish sentiment on social media
- Acceptance by mainstream companies like **Square** and Substack
- High levels of adoption in developing countries
- And more

These developments are bullish for BTC, because they show that BTC is actually being adopted by people using it as a currency. In the early days of Bitcoin, the lack of real-world use as a currency was a major criticism. The only real widespread usage of Bitcoin in its early days was on black markets, and, obviously, adoption by drug dealers and extortionists isn't a positive. Since then, a number of mainstream businesses have begun accepting Bitcoin, adding viability to the thesis that it really works as a currency.

An alternative way to invest in Bitcoin

If you think [Bitcoin is looking bullish these days](#), you're not the only person. Record numbers of investors, fund managers and financial institutions are buying Bitcoin this year, thanks to its increasing mainstream adoption.

If you're interested in buying Bitcoin, you could always run out and buy it on an exchange or through an app like CashApp.

But if you hope to sell your Bitcoin eventually, you might want to consider an alternative: **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)).

BTCC.B is a crypto fund that holds nothing but Bitcoin. In exchange for holding Bitcoin for you, you pay the fund managers a 1% fee every year. Sound steep? Compared to other ETFs, it is. But a fund like BTCC.B gives you one advantage that direct Bitcoin holdings don't: the possibility for tax-exempt gains.

You see, BTCC.B, being a [stock market-traded fund](#), can easily be held in a TFSA. That means you can totally avoid taxes on your Bitcoin holdings. TFSAs are special tax-exempt accounts that exempt you from dividend and capital gains tax. So, by holding BTCC.B in a TFSA, you potentially avoid up to a 25% tax. Suddenly that 1% management fee doesn't seem so steep. Now, this whole selling point doesn't apply if you intend to hold your Bitcoin forever, which many investors do. But if you hope to cash out the gains someday, a Bitcoin fund like BTCC.B held in a TFSA could be a perfect way to play the new Bitcoin bull market.

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