



Forget Bitcoin: Invest in Cryptocurrency Without Buying It

Description

It looks like Bitcoin may finally be making a recovery in Canada. After five months of trading lower and lower, Bitcoin finally started moving in an upwards direction this week. It's been a crazy year for cryptocurrency. Bitcoin alone climbed 460% between October and mid-April. Then it fell from April to July by 15%.

But today, there's an outbreak among cryptocurrencies, including Bitcoin. Since July, Bitcoin is up a whopping 83% to prices not seen since last April.

So should you invest in Bitcoin?

Well, all that volatility should tell you one thing: that Bitcoin is volatile right now. While cryptocurrency may be the future, it still has a lot of work and convincing to do. It's a hacker's dream right now, but also an investor's dream.

That said, there are other ways to invest in cryptocurrency and Bitcoin without actually investing in it firsthand.

Invest in the infrastructure instead

One option is to invest in companies that support the cryptocurrency boom. This would include companies like **HIVE** ([TSXV:HIVE](#))(NASDAQ:HVBV). Hive stock [mines](#) cryptocurrency using its massive data centres and has been acquiring further data centres to get this done.

Think of Hive stock as a difference between the old miners of the gold rush versus a massive company. You could certainly sift for gold, spending your savings to get to the mine and stay there for months on end. Or you could invest in a company with backing and the methods available to dig for gold on a massive scale.

The latter is Hive stock. It's in the 21st century's version of the gold rush, mining Bitcoin and other

cryptocurrencies at an alarming rate.

Invest in companies that are already investing

If you want to invest more directly in cryptocurrency, find companies that are already doing it for you. For example, you can look at a company's balance sheet to see where its investments lie. Now, this can include exchange-traded funds (ETFs) of course.

In fact, there are several cryptocurrency ETFs, such as **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)) that invests directly in Bitcoin. Investing in Purpose is like getting a piece of the Bitcoin pie but at a [lower cost](#). Whereas Bitcoin trades for \$69,326 at writing, Purpose trades at just \$9.58. Yet any price movement is directly linked to Bitcoin.

Want a bit more exposure and less risk? Go with companies that invest in Bitcoin and cryptocurrency, but other things as well.

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)), for example, started accepting cryptocurrency as an option for its clients last year. So Shopify stock most likely invests in cryptocurrency as well. With its short-term investments doing so well, this creates a significant revenue stream for Shopify stock. One that investors will want to pay attention to is the company's earnings after its earnings report.

Therefore, by investing in Shopify stock, for example, you get the best of both worlds. Choose a company that's investing in cryptocurrency for you, but will sell it if it gets too risky based on its financial experts' opinions. So it does all the heavy lifting.

If you want even less risk, **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is already looking to launch a cryptocurrency platform. So really only a matter of time.

Foolish takeaway

Bitcoin is an opportunity. But whether that's an opportunity to make a lot of money or lose a lot of money is up to you. Whether it's investing straight in Bitcoin, or through an [adjacent](#) business, there are certainly options to get in on the action in a safe and effective way.

CATEGORY

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:BTCC.B (Purpose Bitcoin ETF)
4. TSX:RY (Royal Bank of Canada)
5. TSX:SHOP (Shopify Inc.)
6. TSXV:HIVE (Hive Blockchain Technologies)

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