



Is Bitcoin Finally Going for the US\$100,000 Mark?

Description

Despite China's stance against Bitcoin and all other cryptocurrencies, Bitcoin is reaching new heights. It has already reached a US\$60,000 valuation thanks to an amazing 40% rally in the past couple of weeks or so, and the chances of the momentum carrying it higher than the last 2021 peak are relatively high.

However, it's still difficult to determine how high the currency could go. The optimists and most Bitcoin investors are rooting for this crypto to hit the US\$100,000 for the first time. Some are even going as far as saying that US\$100,000 is a conservative estimate, effectively endorsing the notion that the crypto could easily hit this ceiling.

Should you buy it?

Right now, the "conservative" answer would be no. A great time to [buy Bitcoin](#) would have been early 2019 and even early 2020, when Bitcoin still had a four-digit price tag. If you had bought it then, you would have already seen four-fold or five-fold growth.

But buying now and hoping for US\$100,000 might be a risky bet, even for high two-digit growth, especially if Bitcoin reaches that value in 2023 (as some experts are predicting). But if the crypto is destined to reach that mark in 2021, buying now can help you with some rapid growth.

But remember, the chances of Bitcoin coming down are just as ripe as it's going up. And it might be a better, more efficient move to wait for the next dip to buy Bitcoin than buy it when it's riding the current growth wave.

A crypto stock to consider

If you want to put your [crypto growth](#) in a tax-sheltered account and you are not keen on keeping accurate track using a fund, a crypto stock like **Galaxy Digital** ([TSX:GLXY](#)) might be a great way to gain exposure. The stock has yet to trace the crypto momentum, and it's still trading at a 50% discount

from its April peak, unlike the crypto itself, which is just 9.2% down from the recent peak.

But when the stock rises in response to Bitcoin, it can offer much more magnified returns. Two factors endorse this notion: the stock's history and its current valuation. The stock rose 3,200% from the beginning of 2020 to its April 2021 peak, a much more pronounced growth than Bitcoin. And it's currently trading at a price-to-earnings ratio of just 6.6 (though price-to-book ratio is high at 3.3).

So, it might start to zoom upwards soon, and at its current value, it's a much more reasonable buy than the crypto itself.

Foolish takeaway

Galaxy Digital is a good buy for another reason. As a crypto-oriented [technology stock](#), it's much more comprehensive than a simply crypto mining stock. It focuses on crypto infrastructure and its integration with the broader financial industry in aspects like trading, investment management, investment banking, etc., making it a more wholesome buy.

CATEGORY

1. Investing
2. Tech Stocks

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