



## The Trump SPAC Is up 1,220% in 2 Days: The New Meme Stock!

### Description

**Digital World Acquisition** ([NASDAQ:DWAC](#)) stock is up 1,220% since Wednesday. This little-known company is a Special Purpose Acquisition Vehicle (SPAC) for Donald Trump's latest social media venture. In other words, it's a billion-dollar company that didn't exist just a few weeks ago.

Here's what investors need to know about this meme stock and whether there's still an opportunity to make money here.

### Donald Trump's SPAC

On Wednesday, former U.S. president Donald Trump announced a new social media venture that would rival all the platforms that banned him earlier this year. The company is called Trump Media and Technology Group and will be merged with a shell company called Digital World Acquisition Corp (DWAC).

The news impacted all social media stocks. Meanwhile, DWAC stock is up from US\$10 on Wednesday to over US\$131 at the time of writing today. Some believe the stock could be worth much more by the end of the day.

It's worth noting that the company is little more than a press release at the moment. It expects to launch a social media app called TRUTH Social by 2022 but doesn't have a product at the moment. Trump's earlier attempt to launch a media company (From The President's Desk) was an abysmal failure, so there's no reason to believe TRUTH Social stands a better chance.

However, DWAC isn't trading on fundamentals or realistic prospects right now. Instead, it's the latest in a long line of meme stocks that seems to have captured the attention of retail investors.

### Meme stocks are still fashionable

Meme stocks tend to be driven by one key factor — influence. Influential celebrities like Elon Musk and

Chamath Palihapitiya have made several billions in profits this year based on their online influence and social media cred.

Donald Trump, of course, has more social influence and media attention than anyone else. That's the primary reason his SPAC has become an instant success. Early investors are now sitting on a 10-fold gain, and Trump's organization now has access to over US\$1 billion in public capital.

It's a clear indication that meme stocks are still fashionable.

## Where to invest

In my opinion, the best meme investment right now is Ethereum. This blockchain network hosts non-fungible tokens (NFTs) and Decentralized Financial (DeFi) instruments that have gained significant traction on social media. Ether has also outperformed Bitcoin over the past year: it's up 890%, while BTC is up 380% since last October.

Also, Ethereum is easily accessible for Canadian investors. **CI Galaxy Ethereum ETF** ([TSX:ETHX.B](#)) is an exchange-traded fund that tracks ETH. Its management fee is relatively low, while the ETF qualifies for tax-shielded accounts. That means you can add ETHX.B to your Tax-Free Savings Account.

## Bottom line

Trump's SPAC has generated a 10-fold return for early investors in just two days. It seems meme stocks are still fashionable. Canadian investors should bet on the most enduring meme of them all — cryptocurrencies. Keep an eye on the Ethereum ETF.

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