



Are Cryptocurrencies a Speculative Investment? It Depends on What You Buy!

Description

Ever since cryptocurrencies began to gain mainstream traction over half a decade ago, the debate about whether they have any value or if they are strictly speculative investments has been a hot topic.

Initially, when **Bitcoin** was created, it was unclear why it was necessary, and with most having little idea how it worked and hearing horror stories about people sending Bitcoin to the wrong address, only to lose it forever, many dismissed the idea as an investment.

However, there were some who saw the potential of Bitcoin, and soon developers had gone to work and created new blockchain networks, such as **Ethereum** and its native token Ether.

What's important to understand about cryptocurrencies is that without a use case, they don't have real value. So, while your Canadian dollars are just pieces of plastic that cost cents to manufacture, what gives them value is that they are legal tender and can be spent anywhere in Canada.

The same thing is true for cryptocurrencies. One of the great things about the industry is that there are many developers who can start and launch a coin. However, that's also a major issue with the industry because it leads to thousands of coins and tokens on the market, with only a fraction having real use.

If you're wondering whether cryptocurrencies are a speculative investment, it all depends on what you buy. If you find a project that you believe has long-term potential, then it could certainly be a great investment.

However, if you are buying a coin that has no use case and are just hoping that somebody else will pay you more for it down the road, then that's a speculative investment.

Therefore, finding high-quality cryptocurrencies with solid projects behind them and fundamental reasons for growth is the only way to succeed in investing in the space.

Which cryptocurrencies offer the best opportunities for investors today?

One of the best cryptocurrencies to buy today if you're looking to make a long-term investment in the cryptocurrency industry is Ether, or the native tokens of any other blockchain networks that have smart contract capabilities, such as **Fantom** or **Matic**.

The reason cryptocurrencies have gained so much popularity over the last two years is not all due to investors. It's been driven by more developers coming to the space and creating products to use. The more developers that are building on a blockchain, the more users will naturally be drawn to use it.

And the more users that come to a network, the more demand there will be for the tokens, and the more capital there will be invested in the project.

So, if you're looking for cryptocurrencies that have long-term growth potential and are less speculative, look for high-quality blockchain networks. This is why Ethereum is one of the best. I mentioned Matic and [Fantom](#), because their blockchain networks, Polygon and Fantom, respectively, are Ethereum Virtual Machine (EVM) compatible.

This means that developers can easily deploy their dapps across each of these blockchains, which is attractive to both the developers and users.

How to gain exposure today through crypto stocks

Unfortunately for investors, it's so early that some of the only cryptocurrencies you can gain exposure to through stocks are Bitcoin and Ether. However, on the flip side, because it's still so early in the cryptocurrency industry, now is an exciting time to be considering an investment.

Plus, Bitcoin and Ether are two of the top cryptocurrencies you could have exposure to, with Ether being my top recommendation. So, if you're looking to gain exposure today, you may want to consider one of these high-potential [ETFs](#), such as the **CI Galaxy Ethereum ETF**, which charges an incredibly cheap management fee of just 0.4%.

In addition to buying ETFs with exposure to specific cryptocurrencies, there are other crypto stocks to consider that allow you to gain exposure to the entire industry and should rally significantly as the space gains more popularity.

So, if you're bullish on cryptocurrencies and think there is a tonne of long-term potential in the industry, now is an excellent time to make a long-term investment. And with several high-potential crypto stocks to choose from, there are plenty of opportunities to find assets that could grow significantly.

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