



Elon Musk Buys 9.2% of Twitter: Stock SOARS!

Description

Elon Musk revealed that he had purchased 9.2% of **Twitter** ([NYSE:TWTR](#)) in a transaction valued at about \$3.3 billion. The investment made Musk Twitter's largest individual shareholder, as his position dwarfs that of former CEO Jack Dorsey, who holds 2.25%.

After disclosing the news of his buy, Musk trended on Twitter, and TWTR stock soared 30% in one day. Musk's 9.2% is not a majority stake, but it's enough to give him some leverage. Not only does Musk own a large share of Twitter, but he also has one of its most influential accounts. So, there is some real potential for Musk to shake things up.

Potential changes

As an investor, you might be excited about the changes Elon Musk could bring to Twitter. **Tesla** (NYSE:TSLA) stock has risen more than 10,000% in the last 10 years — perhaps Musk could bring some of that touch to Twitter. Certainly, TWTR rallied on the day that news of Musk's investment was announced. On Monday, it rose 30% — its best trading day in years.

With that being said, it doesn't look like Musk's primary goals with the Twitter investment are financial — at least, not directly. Shortly before buying Twitter stock, Musk [put out a poll](#) on Twitter asking people whether the company's management valued free expression. He followed up the poll with a comment saying that the consequences of the poll would be important. Most respondents voted "no." Shortly afterward, Musk began buying TWTR stock.

It would appear, then, that Musk bought Twitter with an intent to promote free expression on the platform. Musk has long been critical of Twitter's content-moderation policy, and he may be buying his way in to influence said policy.

There haven't been any indications that Musk is interested in improving the business from a revenue perspective. That's not to say he doesn't have such intent; he just hasn't disclosed it.

The self-interest angle in the buy is fairly obvious. Musk's tweets are [considered controversial](#), as they

have allegedly helped Musk “pump” Tesla’s stock price. It could be that Musk bought Twitter stock mainly to protect his own account from being banned. Influential entities, including the SEC, have sought to restrict Musk’s access to Twitter. It’s not a stretch to think that Twitter itself might decide it’s had enough of him and suspend his account. That would leave Tesla without the free publicity it gets from the @elonmusk Twitter account, which would jeopardize Musk’s financial interests.

Does it matter to investors?

As a Canadian investor, you might be wondering what to make of all this. The key companies involved — Twitter and Tesla — are U.S. traded. You can go and buy them if you want. But if you’re seeking a Canadian “Musk play,” your options are limited. Musk has some connections to Canada, but none of his Canadian business interests are publicly traded.

One Canadian asset that might benefit from Musk’s tweeting is **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)). It is a Canadian **Bitcoin** fund whose price is very closely correlated with that of BTC itself. Elon Musk is a huge Bitcoin fan, and his tweets have been thought to move Bitcoin’s price.

When Musk announced that Tesla would begin accepting Bitcoin as a payment method last year, BTC soared. By buying BTCC.B, you would be buying an asset that is intimately connected to the Musk universe. Of course, buying anything just because one person mentioned it is a poor idea. As always, you have to do your own due diligence and speak with a financial advisor. But if Canadian Musk plays are on your radar, BTCC.B is worth researching.

CATEGORY

1. Investing
2. Tech Stocks

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2. NYSE:TWTR (Twitter)
3. TSX:BTCC.B (Purpose Bitcoin ETF)

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