



Forget Bitcoin: 1 Portfolio Diversifier to Buy as Markets Roll Over

Description

Bitcoin ([CRYPTO:BTC](#)) and other cryptocurrencies have been viewed as safe havens in times of turmoil. Still, with the recent slide in Bitcoin alongside stocks, there's a strong case for why investors ought to view the asset as more of a speculative stock and less as a gold replacement. This is the second market plunge we've encountered in the 2020s. And both times, Bitcoin has proven to be fragile.

When liquidity is hard to come by, everything tends to head south, and a volatile asset like Bitcoin may be no better than a stock that's in the crosshairs of this selloff.

The case against Bitcoin amid a market tumble

Undoubtedly, there's a limited supply of Bitcoin, so it's gold-like in nature. But given how the asset has traded, it's hard to conclude that Bitcoin is a secure store of value, given volatility tends to ramp up when stocks plunge. Indeed, Bitcoin is an appealing asset to young people, and it may or may not have a place in the future of our portfolios. If Bitcoin were to crash as it did a few years ago, interest could dissipate, and all the talk about blockchain and Web3 may also go away.

Clearly, Bitcoin is an intriguing asset among crypto fanatics. But unless you're willing to risk your shirt come the next market selloff, I'd argue that equities and other proven assets are the way to go.

Currently, gold miners stand out to me as a great buy. Though gold has slipped of late, I think the asset will be quicker to regain ground, especially if the selloff leads to a liquidity crisis.

Gold miners tend to be more volatile, but at the very least, the asset they mine is proven to be a store of value. Bitcoin may have taken some lustre out of gold, but for how much longer? Gold will be around 100 years from now, but I can't say the same for Bitcoin.

Barrick Gold can help diversify your portfolio further

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD) may not be the safest stock to hold at a time like this. Broader market volatility has finally hit it amid gold's retreat. However, it is a great way to get paid a secure dividend while you wait for volatility to calm.

Undoubtedly, savers are being punished by inflation. And stock and crypto investors have been hurt by volatility. Though Barrick won't shelter you from either, it can help you achieve a diversified portfolio. In this market, where there's no place to run, diversification pays off. And gold is just another alternative asset that can help you further diversify your portfolio.

Barrick Gold is a top-tier miner, but it'll amplify gold price movements. While it is comforting to have the 1.82% dividend yield to collect, investors had better be prepared to average down their position. Like it or not, everything has the [potential](#) to plunge further. That's why holding cash still makes sense amid high inflation. Indeed, diversification is key to steering clear of trouble, and while gold and its miners can help you navigate through tough times, it's no risk-free asset.

Looking back to the 1930s, gold and its miners still took a [hit](#). But over the long term, such assets eventually found their footing again.

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Date

2025/08/19

Date Created

2022/05/13

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