

Today's Markets

Today's Markets

Private Briefing

DJIA -8.86 (-0.05%) 16,535.24 NASDAQ -1.32 (-0.03%) 4,274.92 S&P -5.27 (-0.28%) 1,900.86

ARCHIVES ABOUT US FAQ



Money Morning Update: The U.S. Government's Day After Plan

An exclusive Interview with the CIA's Financial Threat and Asymmetric Warfare Advisor

CLICK HERE TO WATCH
THIS MUST-SEE VIDEO

Bitcoin IPO Countdown: One of These Five Companies Could Be the First

[Editor's Note: NASA satellite image reveals future of new wealth in America. In one small town this new wealth has already created 550 new millionaires -- approximately 1 out of every 50 residents. [Click here](#) to learn how to profit no matter where you live.]

By [DAVID ZEILER](#), Associate Editor, Money Morning · July 29, 2014 · [Print](#) | [Email](#)

While there are no imminent plans for a [Bitcoin IPO](#) - the first major public offering of a [Bitcoin](#)-based company - the steady growth of the Bitcoin economy means it's just a matter of time.

You can buy some [Bitcoin stocks](#) now, but [all of them are penny stocks](#), such as Bitcoin Shop Inc. (OTC: [BTCS](#)) and First Bitcoin Capital Corp. (OTC: [BITCF](#)).



One [Bitcoin stock](#), an Australian [Bitcoin mining](#) company called DigitalBTC (ASX: [DCC](#)), became the first to get on a major stock exchange in June on a technicality when it executed a reverse takeover of another company that was already listed on the Australian Securities Exchange.

But we have yet to see a genuine Bitcoin IPO on one of the major U.S. exchanges, which is bound to be a hype-filled affair similar to what we saw with other recent tech IPOs such as Facebook Inc. (Nasdaq: [FB](#)) and Twitter Inc. (NYSE: [TWTR](#)), and what we are in the midst of with Alibaba (NYSE: [BABA](#)).

What's more, a full-blown Bitcoin IPO will mark another step along the way to legitimizing Bitcoin in the eyes of the general public as well as on Wall Street.

Trying to handicap *which* Bitcoin company will emerge as the first Bitcoin IPO, however, is somewhat challenging, as it's so early in the life of the digital currency.

But with venture capital investing ramping up this year - so far more Bitcoin startups have attracted more than \$158 million in 2014, well above the \$92 million total for all of last year - some companies have moved to the head of the pack as the most likely IPO candidates.

The top contenders for the first Bitcoin IPO have all attracted at least \$20 million in venture capital funding (according

to **CoinDesk's** running tally), and all have current estimated valuations of \$100 million or more.

Let's take a look at each of the five companies with the best chance to make Bitcoin history...

The Five Companies in the Race to Be the First Bitcoin IPO

- **Bitcoin IPO Contender No. 1 - BitFury:** We've put Bitcoin mining company BitFury at the top of this list because, well, the company CEO, Valery Vavilov, has already vowed to be the first Bitcoin IPO - possibly as early as next year. Based in both Amsterdam and San Francisco, BitFury designs and sells the hardware used to "mine," or create new bitcoins. It's a classic pick-and-shovel play. So far, BitFury has attracted \$20 million in venture capital and is valued at about \$250 million.
- **Bitcoin IPO Contender No. 2 - BitPay:** A payment processor based in Atlanta, Bitpay has attracted money from Richard Branson and Yahoo Inc. (Nasdaq: **YHOO**) co-founder Jerry Yang. The company makes money by charging fees to enterprise clients. Last year, BitPay said it processed more than \$100 million in transactions. As of May, BitPay was providing payment services for more than 30,000 businesses. The company has attracted a total of \$32.51 million in venture funding so far and is valued at about \$160 million.
- **Bitcoin IPO Contender No. 3 - Coinbase:** This San Francisco-based Bitcoin company is also known as a "universal" because it offers a variety of services, including Bitcoin wallets to consumers and payment processing services to merchants. Venture capital backers of Coinbase include Marc Andreessen of Andreessen Horowitz. Coinbase has attracted \$27.5 million so far and has an estimated valuation of \$140 million.
- **Bitcoin IPO Contender No. 4 - Xapo:** Hoping to cash in on the perceived need for increased Bitcoin protection, Palo Alto, Calif.-based Xapo offers wallet services with an emphasis on security. Venture capitalists have been impressed, sinking \$40 million into the company so far - the highest total of any Bitcoin startup to date. Its second infusion of \$20 million came earlier this month, on July 8. Xapo has an estimated valuation of about \$100 million.
- **Bitcoin IPO Contender No. 5 - Circle:** One of the more mysterious Bitcoin companies, Boston-based Circle Internet Financial became more visible in late March after landing \$17 million in venture funding. The company's aim is to "reduce much of the friction and risk that is currently associated with Bitcoin." To do that, Circle converts incoming Bitcoin from customers to fiat currency and stores it; withdrawals are converted back to Bitcoin only at the time of the request. Circle has attracted \$26 million in venture funding to date, and has an estimated valuation of about \$100 million.

Which of these Bitcoin startups do you think has the best chance to become the first Bitcoin IPO? Share your thoughts on Twitter [@moneymorning](#) or [Facebook](#).

UP NEXT: Startups aren't the only Bitcoin entities attracting some major infusions of money. Several hedge funds have also taken an interest recently, with half a dozen Bitcoin hedge funds launching in the past six months alone. It's a huge vote of confidence in the future of the digital currency from people who spend most of their time hunting for maximum returns. [Here's why the big money is so hot for Bitcoin...](#)

You may also like...

PREMIUM CONTENT

Shocking Ways to Make Six Figures (And You Don't Need a Degree)

By DR. KENT MOORS, Global Energy Strategist, *Oil & Energy Investor*

In the dead of winter, temperatures hover in the single digits for weeks, often dipping to 40 degrees below zero. And a one-bedroom apartment costs more than in New York City.

Yet, construction workers can't build houses and apartments fast enough to deal with the tidal wave of new residents.

It's a place where men and women with high school educations are making over \$100,000 a year. These aren't people with specialized skills...far from it.

And there are still not enough people to fill all of the jobs.

But you don't have to move there or wait decades to make a bundle on this boom.

Fifteen million people in 32 states are already cashing in...

FEATURES



The Right (and Wrong) Way to Buy Silver Coins



A History of the Gold Standard



Here's What \$1.2 Quadrillion Looks Like



This Is How Social Media Companies Make Money

