



## Will Bitcoin Get to \$100K by the End of 2021?

### Description

The spot price of Bitcoin fell below the US\$55,000 mark in trading today. This was a quick drop for the top digital currency. It had climbed above the US\$60,000 threshold over the weekend. Crypto backers continue to express huge confidence in its long-term prospects. Indeed, these sentiments are not entirely unfounded. Today, I want to [explore](#) whether Bitcoin has the potential to breach six figures in 2021. Let's dive in.

### Why Bitcoin's bull run has continued into March

Bitcoin's heroic bull run started to pick up steam in October 2020. It soared passed its all-time high in December and has never looked back — more than tripling in the months that have followed. Several factors have contributed to the cryptocurrency craze over the last half year.

Regulators took aim at Bitcoin and its peers in 2018. This sparked a sharp decline for the top digital currency. The story has been different in 2020. **PayPal**, which operates a huge online payments system, brought the top crypto into the fold in 2020. Brokerages like WealthSimple also embraced this emerging sector. Meanwhile, regulators appear to have taken the heat off crypto in the developed world. Mainstream approval has opened the door for this enormous bull run.

### Tailwinds and headwinds for the cryptocurrency space

Continued adoption from institutional investors likely bodes well for Bitcoin and its peers. Moreover, the **GameStop** craze has illustrated the growing power of retail investors. Widespread adoption of crypto should provide it with a sturdy floor going forward.

Bitcoin's meteoric rise in 2020 and 2021 certainly looks like a bubble. Its fluctuations this week illustrate its high volatility, even at the height of its bull run. The 2017 run came to a screeching halt over the course of several weeks. A bout of turbulence could spark a sell-off for the top digital currency, especially if it comes with a broader pullback in the regular market.

## Bitcoin: The verdict

Predicting Bitcoin's rise and fall has proven to be folly. Its recent run above US\$60,000 could represent a new top, or the crypto space may just be taking another breather. There is no shortage of liquidity in this red-hot market, which means this run could have legs well into the latter half of 2021.

Canadians who want to track the price of Bitcoin should consider **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)). The world's first Bitcoin-focused [ETF](#) launched on February 18. It is up 1.6% since its debut. Bitcoin's gains in 2020 and 2021 have been stunning. However, it is always a buzzkill to have to pay capital gains. Owning this ETF in your Tax-Free Savings Account allows you to have the best of both worlds.

Investors can also invest in crypto mining enterprises like **HIVE Blockchain Technologies** and **Hut 8 Mining**. Shares of these crypto miners have climbed 73% and 153%, respectively, in 2021 as of early afternoon trading on March 17. Bitcoin's price fluctuations are unpredictable. However, the staying power of crypto looks like a strong bet going forward.

### CATEGORY

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1. TSX:BTCC.B (Purpose Bitcoin ETF)

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