



Bitcoin Could Explode to US\$130K in 2021: Here's How Canadians Can Play It!

Description

Bitcoin is testing the US\$60,000 mark once again, and there are many reasons to believe the key resistance level may be broken this time around. If prices of the wildly popular cryptocurrency can break the level, there's no telling how high it can fly. Perhaps it may be off to the races, as Bitcoin prices look to [explode](#) towards US\$130,000, **JP Morgan's** latest target, as a result of the drastic reduction in volatility.

Bitcoin could be ready to explode to US\$130K

Bitcoin and its like tend to be stomach-churningly volatile. Crypto skeptics often bring up its [volatile](#) nature as one of the primary reasons why cryptocurrencies are not very good at being a means of transaction. With numerous gurus, big-league financial institutions, and merchants warming up to crypto, however, there's a strong case for Bitcoin to more than double to US\$130,000.

Now, I'm no Bitcoin bull. In fact, I've been the cryptocurrency's biggest bear over the past several years. I called the initial cryptocurrency crash back in late 2017, going as far as to call Bitcoin a bubble that was destined to lose a majority (around 99%) of its value. I was right in a big way until I was wrong.

Cryptocurrencies breathed a new breath of life, and I don't think its latest boom is about to come to a crashing halt anytime soon — not with the growing adoption of the asset. Call JP Morgan's US\$130,000 target far-fetched if you like, but I think it's not unreasonable, given the choppy crypto waters have calmed in recent months.

Janet Yellen could spark the next Bitcoin sell-off

Just because Bitcoin and other cryptocurrencies aren't as volatile as they were in the past doesn't mean volatility won't pick up in the future. There remain numerous risks that could cause volatility to brace its ugly head once again.

Ex Fed chair and current U.S. Treasury Secretary Janet Yellen isn't a fan of Bitcoin, and I ultimately

believe that she could pull the plug on the decentralized cryptocurrency at her discretion.

Perhaps doing so is not at the top of her list of priorities right now, with Bitcoin at US\$60,000. But if Bitcoin surpasses US\$100,000, anything is possible. And I wouldn't at all be surprised if Yellen causes another steep sell-off across the broader crypto space.

Some of crypto's bigger bulls think that the cryptocurrency is a replacement for gold. Undoubtedly, Bitcoin and gold share many traits. And with gold under pressure in recent months, I wouldn't at all be surprised if Bitcoin is dampening the shiny yellow metal's status as the gold standard. If Bitcoin were to continue taking away alternative asset demand, there's really no telling how much higher the asset can fly.

I've heard outrageous targets, ranging from US\$500,000 to \$1 million. The latter target supposedly met if Bitcoin were to further eat into gold and the bond market. I think such price targets are absolutely ridiculous. However, JP Morgan's US\$130,000 target, I believe, is not.

HIVE Blockchain remains my favourite way to trade cryptocurrencies

If you're keen on betting on Bitcoin's next leg up, I think you have to go with the miners, like **HIVE Blockchain Technologies** ([TSXV:HIVE](#)), over the slew of Bitcoin ETFs, funds, or actual Bitcoin through a wallet. The miners are a levered way to play Bitcoin, so if you want to trade a move to US\$130,000, you'll get far more upside, perhaps multi-bagger upside, with the likes of a well-run miner. Moreover, HIVE also mines Ethereum, making the name a great one-stop-shop for Canadians looking to trade the crypto market as a whole.

Do be aware that the amplified momentum of a miner can swing both ways. HIVE stock will probably outperform Bitcoin and Ethereum if it continues surging higher. But if we're in for a Bitcoin bust, HIVE could crash that much harder. So, do be aware of the risks before you get in on the crypto trade and only invest what you're willing to lose because a government crackdown on cryptocurrencies seems to be the biggest risk in the 2020s.

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