



## Bitcoin to US\$1,000,000: Is it Possible?

### Description

A *Bloomberg* article title reads, "Bitcoin (BTC) could reach US\$1 million or more." The projection looks ridiculous, but not to Jesse Powell, the CEO of crypto exchange Kraken. Besides thinking that Bitcoin could reach the US\$1 million mark in the next decade, Mr. Powell added the world's most popular currency could eventually replace all of the major fiat currencies.

According to Powell, Kraken is considering going public in 2022. He thinks that BTC bulls see it exceeding the market caps combined of all dollar, euro, and other currencies one day. Should investors believe the [extreme predictions](#) hook, line, and sinker?

### Disruptive future

Bitcoin's market cap stands at US\$1.12 trillion, and the crypto's year-to-date gain is 107%. The current price of US\$60,117.16 is 762% higher than it was a year ago. BTC closed at US\$60,000 for the first time on April 11, 2021. Many crypto experts believe tremendous growth opportunity is still underway.

Dan Morehead, Platinum Capital's CEO, surmise there are 100 million people with exposure to BTC already. He thinks BTC is going up at a compound annual growth rate of 213% for 10 years. According to a new *Bloomberg Intelligence* report, BTC's price would peak at several hundred thousand dollars if it replicates 2013 (55 times) and 2015 (15 times) gains.

Other analysts say BTC's adoption has become more sudden than gradual. The acceleration is likely to continue for the foreseeable. It could also magnify the U.S. dollar's dominance as the reserve currency, they write. The most recent surge to US\$60 could be the result of talks about reduced supply.

### Mainstream acceptance

Bitcoin loyalists are ecstatic because of the entry of more institutional investors. Among the top corporate names on the bandwagon are **BlackRock** and credit card giant **Mastercard**. **Tesla**, **Square**, and **MicroStrategy** have invested in Bitcoin in 2021.

In Canada, three Bitcoin exchange-traded funds (ETFs) debuted in succession. **Purpose Bitcoin ETF** is [North America's first Bitcoin ETF](#). **Evolve Funds Group** and **CI Galaxy** followed after that. Bitcoin ETFs should attract risk-averse crypto investors, since they trade on traditional stock market exchanges than crypto exchanges.

## Alternative to BTC

If you want exposure to the cryptocurrency space but not through an ETF, consider **Hut 8 Mining** (TSXV:HUT). The \$970.8 million company from Toronto mines BTC on an industrial scale. The mining operations occur at 38 BlockBox and 56 BlockBox AC data centres in Drumheller and Medicine Hat in Alberta.

Hut 8's run in 2021 is as spectacular as BTC. The crypto stock is up 148% year to date. The current share price of \$8.65 is 1,053% higher than it was one year ago. Its price has also risen to a high of \$13.18 on February 22, 2021. Analysts covering HUT forecast a 62% appreciation to \$14 in the next 12 months.

The company recently bought US\$30 million worth of **NVIDIA** crypto mining processors to increase its aggregate operating rate dramatically. You don't need to store the digital token or create online wallets when you pick up Hut 8 shares on the TSX.

## Risky asset

Regular investors are better off investing in assets they understand. Notwithstanding its spectacular surge in 2021, Bitcoin remains a high-risk investment. The advantage with Hut 8 or Bitcoin ETFs is that there's no regulatory risk. Wait for cryptocurrencies to have central management or government supervision.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:HUT (Hut 8 Mining)

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**Date**

2025/07/06

**Date Created**

2021/04/15

**Author**

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