



What's Next for Bitcoin's Price? Could it Reach US\$100,000?

Description

Despite the speculation that it has finally peaked, Bitcoin has been growing [at a tremendous pace](#). It has grown a bit over 100% just this year, and it's showing no signs of coming down. One of the factors behind this powerful growth is the attention it's getting from institutional investors and people like Elon Musk.

But there are other factors driving this particular cryptocurrency's unprecedented growth levels. At the same time, there are variables that might be working against Bitcoin and might be enough to trigger a downward spiral. This makes answering the question of whether Bitcoin price might increase to US\$100,000 rather difficult to answer.

Bitcoin: US\$100,000 or not?

One of the main reasons Bitcoin is continuing to go upwards is that more investors, both retail and institutional, are focusing more on "HODLing" (the practice of holding Bitcoin) than taking advantage of the occasional spikes. The infrastructure that has been developing around Bitcoin, including easier payment, movement, regulated custodians, and the fact that it's an inherently limited resource, are contributing to the hype and consequently the price hike.

One factor that might throttle further growth is that the demand is rising, but the supply is relatively constrained. Even though more mining rigs are operating now than ever before, including institutional rigs that are pushing hash rates to new limits, the number of Bitcoins being introduced into the circulation via mining is not spiking. Thanks to the increasing complexity with every new Bitcoin mined, the last one is expected to be mined in 2140.

There is only so much price hike constant demand and constrained supply can instigate, and if it becomes more difficult to acquire Bitcoin, both retail and institutional investors might start looking into other assets. Also, too much HODLing with fewer and fewer Bitcoins changing hands might impact trading activity as well.

Still, the chances that Bitcoin might hit US\$100,000 might be slightly higher than its chances of taking a

dip.

Alternative exposure

Even if Bitcoin reaches US\$100,000, you might not even be able to double your investment if you buy now. One angle that might help you maximize your return potential is investing in Bitcoin via [companies like](#) **HIVE Blockchain Technologies** (TSX:HIVE). In the last 12 months, the company has grown its share price by over 2,200%. That's about 2.8 times the growth Bitcoin saw in the same period.

While that's not a guarantee, *if* HIVE can “magnify” your Bitcoin growth prospects by two or more times, it might be a better way to get exposure to the crypto if you believe it has yet to reach new heights. Another benefit HIVE offers its focus on Ethereum. If Ethereum explodes alongside Bitcoin, you might leverage both different growths with HIVE.

Foolish takeaway

Bitcoin's volatility is both a boon and a curse for investors. It's what keeps the asset exciting and “imbues” it with great short-term growth prospects, but it's also the reason why it has the negative potential of losing investors all their capital. If you still want exposure to this exciting asset, it might be prudent to consider an indirect approach — i.e., buying stocks of a company like HIVE.

CATEGORY

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