



## Cathie Wood: Bitcoin Is Going to US\$500,000!

### Description

Cathie Wood is bullish on Bitcoin.

In a recent interview, the world's most successful ETF manager said that the BTC would go all the way to US\$500,000. It's not the first bold prediction Wood has made. Also this year, she set a US\$3,000 price target for **Tesla** and gave very bullish opinions on **Palantir**. Ambitious price targets are the norm for Wood. But predicting Bitcoin to hit US\$500,000 is something else. At that price, BTC would have a US\$9 trillion market cap! That's pretty close to the value of [all the gold in the world](#).

The idea of Bitcoin being worth as much as ALL the world's gold is hard to wrap your head around. But stranger things have happened. In this article, I'll explore why Cathie Wood thinks BTC could get pretty close to that target and provide some reasons for thinking it won't.

## Why Cathie Wood thinks Bitcoin is going to US\$500,000

Cathie Wood has given many media interviews justifying her US\$500,000 Bitcoin price target. Some claims she has made include

- BTC being “hugely undervalued” at current prices;
- BTC being the “reserve currency of the crypto world”;
- Institutional embrace of Bitcoin — this year, we've seen major asset managers and even banks offer Bitcoin funds; and
- Environmental concerns being overblown.

All of these factors point to a bright future for Bitcoin. But they're only part of the story. There are many reasons to be concerned about Bitcoin's future, particularly if regulators keep ramping up their interest in crypto.

## Why she could be wrong

Cathie Wood is the world's most famous ETF manager for a reason. Her [actively managed ETFs](#) have beaten the markets by a wide margin, and her market opinions are extremely influential. Still, she could be wrong. Some risks that could crush Wood's bullish thesis on Bitcoin include

- Increased regulation. China recently banned banks from accepting Bitcoin. Turkey did as well;
- Environmental concerns;
- More companies going the Tesla route and banning Bitcoin after initially accepting it;
- Institutions losing interest;
- Whales dumping their positions;
- Security concerns (lost passwords, wallet issues, etc);
- And many more.

Ultimately, it's hard to say what the price of a speculative asset like Bitcoin is going to do. BTC doesn't have any fundamentals to speak of, so it's hard to analyze. Still, you may want to invest in it while keeping the security risks mentioned above to a minimum. I have one suggestion if your goal is to do that.

## A secure Bitcoin play

If you want to invest in Bitcoin but are concerned about security risks, you could consider Bitcoin ETFs like **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)). Purpose is a 100% Canadian Bitcoin fund that invests its entire portfolio in Bitcoin — no altcoins, no derivatives, no short positions ... just Bitcoin itself. Basically, it's a stock-market-traded Bitcoin portfolio. The fund managers hold BTC for you in exchange for a 1% annual fee. Their enterprise-grade security keeps password loss a distant concern, and the fund's exchange-traded status means you can hold it tax-free in a TFSA. Overall, it's a pretty unique way to invest in Bitcoin that comes with some serious tax advantages.

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