



## Will Bitcoin Hit \$100,000 by the End of 2021?

### Description

### What happened?

As an alternative asset class, [cryptocurrencies](#) have generated massive wealth for long-term investors. Since March 2020, the price of Bitcoin has risen by a stellar 1,000% and in the last five years — cumulative gains stand at a staggering 8,000%. But, according to cryptocurrency bulls, this space is just starting to heat up, and it's still possible to generate exponential gains in the upcoming decade by purchasing digital assets.

### So what?

Bitcoin prices touched a record high of US\$64,000 in May this year before pulling back significantly in the next two months. At the time of writing, the price of one Bitcoin is over US\$50,700.

According to global banking heavyweight Standard Chartered, the price of Bitcoin may touch US\$175,000 over the next few months. Ark Invest CEO Cathie Wood too remains bullish on the world's largest cryptocurrency and expects Bitcoin prices to rise 10-fold in the next five years to trade around US\$500,000.

A popular Dutch analyst known as PlanB has 700,000 followers on **Twitter** and has accurately predicted the price movements on Bitcoin in the past based on a stock-to-flow or S2F model. According to [a report from the Independent](#), the S2F model is based on the inbuilt scarcity of Bitcoin, where you divide its current supply by annual production. Now, the annual production for Bitcoin reduces by 50% every four years, which also results in a boom-and-bust cycle.

Generally, Bitcoin prices gain momentum in the 12-18 months following the halving event. The last halving event took place last May, and Bitcoin touched record highs within the next 12 months.

But according to PlanB, the upward spike in prices was the first leg of the rally and the analyst forecasts Bitcoin to reclaim record highs this month and might even rise to US\$135,000 by end of

2021, states the report from the *Independent*.

## What now?

The widespread adoption of Bitcoin and other cryptocurrencies will continue to push prices higher in the coming months. In the first nine months of 2021, we have seen companies such as **Tesla**, **Square**, and **MicroStrategy** holding Bitcoin on their balance sheets. The government of El Salvador has also adopted the digital asset as legal tender, and several other countries that are grappling with inflation might follow suit.

Institutional investors account for over 50% of transactions on **Coinbase**, which is the largest cryptocurrency exchange in the world. Cathie Wood, in fact, expects institutions to allocate 5% of their portfolios towards Bitcoin and other cryptocurrencies. Noted investor Kevin O'Leary has disclosed that cryptos will account for 7% of his total portfolio by the end of 2021, up from 3% right now.

On the flip side, Bitcoin and several other digital assets remain extremely volatile and might not be the right kind of investment for those with a lower risk appetite. The recent crackdown by China on cryptocurrencies as well as the costs associated with Bitcoin mining and the lack of regulation makes it a high-risk asset class.

Investing in Bitcoin is similar to buying a lottery ticket, which means you need to invest as much capital as you can afford to lose in cryptocurrencies.

### CATEGORY

1. Investing
2. Tech Stocks

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

### PP NOTIFY USER

1. araghunath
2. kduncombe

### Category

1. Investing
2. Tech Stocks

### Date

---

2025/07/21

**Date Created**

2021/10/06

**Author**

araghunath

default watermark

default watermark