



JPMorgan Reaffirms US\$146,000 Price Target for Bitcoin

Description

Last week, leading investment bank **JPMorgan** ([NYSE:JPM](#)) reiterated its long-term price target of US\$146,000 for Bitcoin. At the time of writing, the price of one Bitcoin is valued at US\$66,450, indicating the world's most popular cryptocurrency is trading [at a market cap](#) of US\$1.25 trillion. The market cap of a [cryptocurrency](#) is calculated by multiplying its price by the number of coins in circulation.

JPMorgan explained that institutional investors view Bitcoin as a store of value, and if volatility in this asset class reduces over time, it could be preferred over gold. The investment bank had, in fact, published a research note in January 2021, where it first claimed Bitcoin can rally to touch US\$146,000.

Historically, gold has had an inverse relationship with the stock market. The yellow metal has gained significant momentum during bear markets, as investors pour in billions of dollars to diversify their portfolios.

Currently, even though the stock market is trading near record highs, market participants are worried about a slower-than-expected economic recovery, rising inflation rates, and the tapering of stimulus measures by the Federal Reserve. These factors might result in another economic recession, where Bitcoin will be used as an inflation hedge, replacing gold in the process.

According to a report from *Business Insider*, JPMorgan analyst Nikolas Panigirtzoglou noted, "The re-emergence of inflation concerns among investors during September/October 2021 appears to have renewed interest in the usage of bitcoin as an inflation hedge." The analyst added, "Bitcoin's allure as an inflation hedge has perhaps been strengthened by the failure of gold to respond in recent weeks to heightened concerns over inflation."

What will drive the prices of Bitcoin higher in 2021 and beyond?

If the Bitcoin price forecasts of JPMorgan are met, the digital asset will be valued at a market cap of almost US\$2.7 trillion. Right now, **Microsoft** is the world's largest publicly listed company with a market cap of US\$2.52 trillion.

The prices of Bitcoin have more than doubled year to date and are currently trading close to its all-time highs. A key reason for this market-beating performance is the widespread adoption of the digital asset.

Over the last several months, multiple companies, including **Tesla** and **MicroStrategy**, have disclosed they hold Bitcoin on their balance sheet. Cryptocurrency trading company **Coinbase** has also confirmed that a majority of the trades executed on its platform are backed by institutions. The launch of several Bitcoin ETFs in Canada and the U.S. is viewed as a positive long-term development as well. Further, last week, New York's mayor-elect Eric Adams and Miami's current mayor Francis Suarez expressed their interests to be paid in Bitcoin.

Ethereum and Solana touch record highs as well

JPMorgan's bullish outlook on Bitcoin may be a key driver of its recent price rally. The digital asset is up over 6% in the last 24 hours. Comparatively, other major cryptocurrencies such as Solana and Ethereum have also gained momentum in recent days. While the price of Ethereum is up 9.5% in the past week, [Solana has surged](#) by more than 24% in this period.

The cryptocurrency segment has outpaced the equity markets by a significant margin in the last 18 months, and this momentum might continue in the next year as well.

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Date

2025/09/10

Date Created

2021/11/08

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