



Why Bitcoin Remains the Ultimate Long-Term Bet for Cryptocurrency Investors

Description

At the time of writing, the price of one **Bitcoin** was trading at US\$57,559.50, which is 16% below its all-time highs. Despite the pullback, Bitcoin has returned over 200% in the last 12 months, valuing the world's largest cryptocurrency at a market cap of US\$1.08 trillion right now.

The [cryptocurrency](#) space has exploded in the last 18 months, making these digital tokens an alternate asset class. Since March 2020, the total value of cryptocurrencies has risen from US\$141 billion to almost US\$3 trillion today.

While the stock market has created massive wealth for long-term investors, Bitcoin and other digital assets have managed to crush equity gains in the past decade. For example, \$100 invested in Bitcoin [back in 2010](#) would be worth close to more than \$7 billion today, making those investors some of the richest individuals in the world.

Why Bitcoin should be part of your portfolio today

According to cryptocurrency experts, the growth story for Bitcoin and its peers is far from over as the asset class has attracted institutional investments at a rapid rate in the last year. In fact, billion-dollar companies such as **Tesla**, **Square**, and **MicroStrategy** hold Bitcoin on their balance sheet.

This September, El-Salvador adopted Bitcoin as legal tender, making it the first country in the world to do so. Now, El-Salvador aims to build a Bitcoin city and will shortly introduce Bitcoin bonds making the digital asset financially inclusive. The widespread adoption of Bitcoin remains the single-largest driver of its price appreciation going forward.

While gold has been historically viewed as a hedge against inflation, Bitcoin also has certain [inflation-resistant characteristics](#). Bitcoin is not tied to a particular country and is an international asset whose price depends on global demand. As the equity market remains expensive and with bond rates near all-time lows, Bitcoin offers investors an opportunity to diversify their portfolios while providing a better risk/reward ratio.

The maximum number of Bitcoin in circulation is limited to 21 million coins, of which more than 18 million have already been mined. A fixed supply makes Bitcoin anti-inflationary compared to the U.S. dollar, as the Federal Reserve can keep printing currency to support quantitative easing measures.

According to Steve Gregory, the CEO of Currency.com in the U.S., “The scarcity of a 21 million fixed supply of bitcoin makes it the ultimate long-term investment. In an era of central banks limitless money printing, there is an infinite amount of fiat, to purchase a very finite supply of Bitcoin. Aside from bitcoin, a bet on many of the other cryptocurrencies is effectively a bet on web3 infrastructure or decentralized finance. Betting on the viability of technology to evolve to meet consumer needs is a compelling investment thesis.”

The final verdict

We can see that similar to gold, Bitcoin is secure and scarce. But unlike physical gold, Bitcoin is also transferable and portable. Bitcoin’s blockchain network has multiple use cases and the digital asset may even be viewed as a currency in economies grappling with hyperinflation.

While Bitcoin’s long-term prospects surpass gold, it is also much more volatile compared to the yellow metal, making it a high-risk bet for those investors nearing retirement.

In case you want to gain exposure to the cryptocurrency space, it makes sense to allocate a small portion of your capital toward the digital asset.

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Date

2025/07/08

Date Created

2021/11/22

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