



## Bitcoin Keeps Falling: Should You Buy the Dip?

### Description

**Bitcoin** ([CRYPTO:BTC](#)) put together a banner year in 2021, extending the bull market that was sparked in the middle of 2020. The best year in the history of the top [cryptocurrency](#) was also extremely volatile. Today, I want to dissect its recent dip and discuss how crypto investors should react in the early weeks of 2022. Let's dive in.

### Why Bitcoin has plunged to a three-month low in early January

The price of Bitcoin dropped to its lowest point since late September 2021 in the second week of January. In late November 2021, I'd [discussed](#) whether crypto or gold was the better bet ahead of the New Year. At the time, I'd suggested that impending interest rate hikes could trigger a selloff for Bitcoin and its crypto peers.

Indeed, most analysts and experts have chalked up the turbulence in Bitcoin to the hawkish statements coming from the U.S. Federal Reserve and other central banks around the world. **Goldman Sachs** recently projected that the Fed would pursue no less than four rate hikes in 2022, more than previously expected. Meanwhile, the Bank of Canada (BoC) is also set to undertake a rate-tightening cycle in order to beat back surging inflation.

Hawkish central banks have the potential to put a dent in the highly liquid market that has benefited Bitcoin and its peers. Moreover, savvy investors may look to transfer their money to vehicles that are more likely to [gain with higher rates](#).

### Should you look to buy the dip in the top crypto?

It is important to note that central banks have not yet started on this rate-tightening path. Market volatility has spurred policy changes many times in previous years. There are no guarantees in a North American economy that is still reeling due to the lingering COVID-19 pandemic.

Canadian investors who want to get in on the crypto and Bitcoin dip may want to consider **Purpose Bitcoin ETF**

([TSX:BTCC.B](#)). This ETF launched in February 2021. Its shares have climbed 28% over the past six months as of close on January 10. However, it has dropped 11% month over month. This ETF had an RSI of 30 at the time of this writing. This puts it just outside technically oversold territory.

Bitcoin has constantly yo-yoed over the past year. A rate-tightening cycle will be a big test for the world's largest digital currency and its peers in the months ahead.

## Here are some alternatives to Bitcoin to explore in the crypto market

Investors who are uninterested in Bitcoin right now still have many options in the crypto space. For example, you may want to target a crypto miner like **Hut 8 Mining** ([TSX:HUT](#))([NASDAQ:HUT](#)). Shares of this crypto stock shot up 184% in 2021. However, the stock has dropped 18% to kick off 2022.

Hut 8 Mining put together record revenues and earnings in 2021 on the back of a roaring crypto market. This stock last had a favourable price-to-earnings ratio of 15. It possesses an RSI of 31, putting it just outside oversold levels.

Canadians may also want to target some of Bitcoin's peers, like **Ethereum**. The **CI Galaxy Ethereum ETF** debuted on the TSX back in April 2021. It offers exposure to Ether through its fund platform.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. NASDAQ:HUT (Hut 8 Mining)
2. TSX:BTCC.B (Purpose Bitcoin ETF)
3. TSX:HUT (Hut 8 Mining)

### 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. aocallaghan
2. kduncombe

**Category**

1. Cryptocurrency
2. Investing

**Date**

2025/08/23

**Date Created**

2022/01/11

**Author**

aocallaghan

default watermark

default watermark