



## Could Bitcoin Hit \$100,000 in 2022?

### Description

Investors looking at the prospects of **Bitcoin** ([CRYPTO:BTC](#)) this new year may be considering just how high this token could go. After all, Bitcoin price predictions are all the rage these days.

This past year, Bitcoin [soared to CA\\$88,105](#), or US\$69,044, at its peak. For many, the fact that Bitcoin approached the CA\$100,000 mark this past year makes this goal seem achievable in 2022. However, macroeconomic headwinds dragging down risky assets of late are providing bears with reason to believe this won't materialize.

Let's dive into just how possible a six-figure Bitcoin token could be this year.

### Growing adoption driving value of Bitcoin

Since its inception, Bitcoin has gone through several boom-bust cycles. Every cycle brought in a fresh set of new adopters. Presently, it's debatable whether this [cryptocurrency](#) could be at the end of another cycle. If that's the case, 2022 may be another transition year, where investors see little in the way of gains.

In the crypto world, momentum is everything. Right now, momentum isn't quite there. However, one factor many investors are right to watch is Bitcoin adoption.

Bitcoin's user base continues to grow, driving value across the Bitcoin network. High-profile cases this year of El Salvador adopting Bitcoin as legal tender only furthers this argument. Should inflation concerns really take hold (and those were some big readings this morning), it's entirely possible other countries follow suit.

Bitcoin's network has among the widest scope of any cryptocurrency out there. This was the first, and remains the largest, token in the world. Accordingly, investors looking for network effects get this catalyst in a big way via owning Bitcoin.

Institutional investment in Bitcoin via ETFs, capital inflows from corporations, and retail investor interest

in this token all remain strong. Whether this near-term trend continues or not remains to be seen. However, for now, Bitcoin's positioning in the crypto market remains strong.

## More reasons for optimism: Stock-to-flow model and digital gold

The stock-to-flow model provides an interesting look at the valuation of Bitcoin. Traditionally utilized to predict commodity price movements, this model measures the existing supply (stock) value to new supply (flow) via mining, or generation. It is helpful for oil and gold traders. But banks have also adopted this model for Bitcoin lately.

As per the stock-to-flow model, Bitcoin should have touched US\$100,000 by 2021. But it failed. The extent to which this model is correct or not remains to be seen. However, this is a key metric many investors have their eye on.

Additionally, the view that Bitcoin could be viewed as digital gold, or an inflation and currency hedge, is one of the key reasons many investors own this top token. Should inflation concerns heat up from here, Bitcoin may become a commodity class investors may start to consider, alongside physical precious metals.

## Bottom line

Could Bitcoin hit \$100,000 per token this year? It's certainly possible. We came awfully close last year, and one more momentum-driven bull run could have taken this token there.

Fundamentally valuing any cryptocurrency is a difficult task. However, there is some evidence that Bitcoin could have what it takes to hit the six-figure mark. For now, it's anyone's best guess as to which direction the crypto market is headed.

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