



What to Watch With Bitcoin This Year

Description

Today's been another volatile day for **Bitcoin** ([CRYPTO:BTC](#)) and other top [cryptocurrencies](#). While the crypto sector is one that's been hard to pin down of late in terms of a directional move, most eyes are on Bitcoin. This top token is often considered the bellwether for the overall market.

The first and the largest crypto by market capitalization, Bitcoin's directional moves tend to move the market. Accordingly, investors have many questions for Bitcoin this year. Will momentum return? Or will we see a continued slow and steady decline throughout the year?

Let's dive into a few things to watch with Bitcoin this year.

Big-time Bitcoin price predictions continue to surface

Indeed, one thing that's likely to continue in 2022 is more incredible price predictions. Whether it's Cathie Wood or other crypto bulls touting massive price targets, the potential returns investors can receive with Bitcoin is what has driven so much attention to this token.

Accordingly, a recent [survey](#) of **JPMorgan** clients suggest retail investors believe the hype. A majority of respondents believe that BTC could trade at or above \$60K this year. That would amount to a gain of nearly 50% from today's levels.

Perhaps these results aren't so surprising. After all, investors holding digital currencies do so in a bid to earn outsized rewards. Accordingly, there ought to be some upside to holding assets that are so valuable.

While there are bears on Bitcoin, it appears most retail investors believe there's more upside potential than downside risk with this token in 2022. Accordingly, Bitcoin investors hope the wisdom of the crowd is correct this year.

Bottom line

As the oldest and therefore longest-term investment in the crypto world, Bitcoin's track record is one worth considering. This token has surged and plunged on a number of occasions in the past. Accordingly, near-term sentiment appears to remain weak, with many believing a prolonged selloff could be in the cards, at least to start 2022.

Should negative sentiment build, such an outlook is certainly possible. Indeed, when Bitcoin goes into a bear market, it gets hit hard. In the absence of any real cash flows, most cryptocurrencies like Bitcoin really are simply functions of supply and demand.

I expect the supply and demand fundamentals of the crypto world to remain under pressure, at least in the near term. Rising rates, and a selloff alongside risk equities, seems to be in the cards. However, over the longer term, anything's possible. Thus, perhaps dip buyers will materialize into the end of the year and beyond.

For now, I'm sitting tight on Bitcoin. However, those invested in Bitcoin, or any crypto, really, may want to strap in for a fun ride in 2022.

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