



Bitcoin: Is \$10,000 or \$100,000 Next?

Description

Boy, look at that volatility in the crypto world. After plunging for a few days, **Bitcoin** ([CRYPTO:BTC](#)) has since clawed back much of its losses today, as investors take a risk-on view of the markets once again. Today's swing higher this morning was another [double-digit percentage move](#). In recent days, a number of such swings have been seen, mostly to the downside, with top [cryptocurrencies](#) such as Bitcoin.

Investors have generally taken a risk-off view of the market, in light of the Federal Reserve signaling a rate hike in March is all but guaranteed. Accordingly, speculative assets across the board have been sold off, barring today's increase, over the past week.

Will Bitcoin continue lower toward \$10,000 per token? Or is this recovery the first step on a journey toward a six-figure valuation? Let's discuss.

Bitcoin has a potential edge over the yellow metal

Like gold, Bitcoin has been viewed by many as a fundamental market hedge. A relatively low-correlation asset, Bitcoin's value has been tied to capital flows over time. Of course, capital flows have been negative of late, driving most of the underperformance for Bitcoin.

However, relative to other cryptocurrencies, Bitcoin has actually performed quite well. This token has displayed lower levels of volatility, which has worked in its favour during this recent decline. Of course, Bitcoin hasn't seen the kind of appreciation other alt-coins have during recent rallies as well.

Now, the debate as to whether Bitcoin is a suitable substitute for gold will be one that continues on for some time. However, those in the crypto world seeking a more "defensive" token are likely to go this rout.

There are some experts who think a \$100K target is possible

Some experts are getting on the six-figure Bitcoin train. One recent **Goldman Sachs** report suggested Bitcoin could hit the \$100,000 threshold, if investors accept the idea that Bitcoin represents digital gold. This analysis was based on capital flows that would normally have gone into gold being diverted into Bitcoin.

A number of talking heads, such as Cathie Wood, have put forward price targets well in excess of \$100,000. Indeed, Ms. Wood's price target of \$560,000 looks to be unachievable, with this recent momentum.

That said, these price targets are entertaining, if not telling, examples of how market sentiment can shape the valuations of digital tokens.

Bottom line

Predicting which direction Bitcoin will move is likely a fool's errand. Indeed, this token has shot higher and dipped lower than many investors may have otherwise thought was possible of late.

However, Bitcoin is the top dog in the crypto world. For many, that's enough. Investors watching crypto are also likely to watch Bitcoin in the coming weeks, and this token has proven to be an interesting one to follow.

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Date

2025/08/29

Date Created

2022/01/25

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