



## Bitcoin Crash 2022: Is the Winter Coming?

### Description

People shouldn't be surprised anymore whenever **Bitcoin** ([CRYPTO:BTC](#)) sharply drops like it did on January 21, 2022. It fell 10.38% to US\$36,457.32, then sunk below US\$33,200 at one point two days later. The world's most popular cryptocurrency and other digital assets are, by nature, extremely volatile.

The [cryptocurrency market](#) is off to a bad start in 2022, especially the two top digital assets. According to CoinMarketCap, Bitcoin and **Ethereum** prices have declined by more than 40% since their peak in mid-November 2021. As of this writing, BTC trades at US\$38,012,23 (+17.91% year-to-end), or a 4.27% climb from the 21st.

Meanwhile, Ethereum is down to US\$2,536.62, a year-to-date loss of 31.12%. After the most recent [crash](#) and despite the recovery a few days earlier, experts predict more pain is ahead for crypto bulls. Some crypto analysts say the only bright spot now is that BTC's 17.91% year-to-date gain is much higher than consumer inflation.

### Winter is coming

Bitcoin and other crypto followers hope winter isn't coming to the [digital currency space](#). Currently, the outlook for cryptos hinges on the action of the U.S. Federal Reserve to combat inflation. Investors' anxiety about digital currencies and other risky assets is on the rise since the Feds intimated an end to economic stimulus.

The woes of Bitcoin could compound if more government crackdowns ensue. A Reuters report last week said Russia's central bank had proposed a ban on the mining and use of cryptocurrencies. Despite being one of the biggest crypto-mining countries, its central bank believes digital currencies threaten the nation's financial stability.

### More crackdowns and frauds

China was the first to launch a full-scale clampdown. The world's second-largest economy banned the trading and mining of cryptocurrencies. Other countries could implement a ban on cryptos. India, for example, might introduce a bill to regulate digital currencies, although nothing is firm yet.

The concern of regulators in India today is hackers' interest in cryptocurrencies. Reports say scammers posted a video promoting a fake crypto token called One World Cryptocurrency. The hackers' target influencers and crypto exchanges like WazirX. The latter warns of a systematic hack on several YouTube accounts, and frauds are rising globally.

## Dire prediction

Experts anticipate more wild price swings for Bitcoin because risk appetite has fallen on inflation worries. Also, aggressive rate hikes in the U.S. aren't good for cryptos. Thus, market observers believe Bitcoin remains in the danger zone. **American Express** Chairman and CEO Stephen Squeri maintained a cautious stance on rolling out cryptocurrencies on the company's platform.

While Squeri said that cryptocurrencies are really an asset class like gold or silver, you can't call it a currency. He cites the 50% decline of Bitcoin in two months. In October 2021, Squeri already said it would be a while before consumers see a crypto-backed Amex card.

Jon Wolfenbarger, CEO and Founder of Bull and Bear Profits, was previously bullish on BTC. He expected the crypto to get a powerful rally that could last a while. However, he's far less optimistic in the medium-term horizon. If the historical pattern (2012 to 2013 and 2016 to 2017) of BTC repeats, Wolfenbarger says the price could drop to below US\$14,000 in one year.

### CATEGORY

1. Cryptocurrency
2. Investing

### 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. cliew
2. jguest

### Category

1. Cryptocurrency
2. Investing

**Date**

2025/06/30

**Date Created**

2022/01/28

**Author**

cliew

default watermark

*default watermark*