



Have the Cryptocurrency Industry and Bitcoin's Price Finally Bottomed?

Description

Over the last two years, **Bitcoin's** ([CRYPTO:BTC](#)) price has skyrocketed and the rest of the cryptocurrency industry have gained a tonne of popularity. It's highly likely you heard of Bitcoin long before the pandemic. But it wasn't until these last two years that that broader market has taken Bitcoin and the rest of the cryptocurrency industry a lot more seriously.

After all the development that's gone on in the space over the last half-decade, it's not surprising cryptocurrencies are starting to catch on.

Several issues have been addressed and continue to be addressed. In addition, the innovation continues to create new products and services that have many use cases and solve real-world problems.

So as more retail investors, institutional investors, and even corporations have looked to gain exposure to the [industry](#) in one way or another, it's clear there is a lot of long-term potential. And now, after months of cryptocurrencies selling off, including the price of Bitcoin, which is down 47% from its all-time high, it looks like the industry may have finally bottomed.

Where is the price of Bitcoin and the rest of the cryptocurrency industry going?

At the start of 2020, prior to cryptocurrencies becoming highly popular, the entire industry had a combined market cap of roughly US\$193 billion.

Then 2020 arrived, and the pandemic hit, and a lot of people were stuck indoors. And while the industry got an initial boost from the expectation of higher [inflation](#) and all the cash that was injected into markets, with so many working from home, development in the space increased significantly as well.

So by the start of 2021, just over 13 months ago, the total value of the cryptocurrency industry had

grown to more than US\$770 billion.

And that massive rally essentially continued all throughout last year until Bitcoin's price and the rest of the cryptocurrency industry finally peaked in November. At that point, the total market value of the industry was just shy of US\$3 trillion.

A series of headwinds, including the [expectation of higher interest rates](#) in 2022, led many investors to reassess their portfolios and reduce exposure to higher-risk assets. So the industry, which we all know to be super volatile, subsequently began a significant sell-off.

However, just last week, on January 24, it finally reached its low for the current sell-off, bottoming at almost exactly US\$1.5 trillion. That's a roughly 50% fall from the high it reached in November.

Should you invest in cryptocurrencies today?

Ever since it bottomed last week, the market value of the cryptocurrency industry has been mostly flat. However, it is technically up by about 10% to roughly US\$1.7 trillion today. So you may be wondering if cryptocurrencies like Bitcoin are worth a buy at this price.

However, as volatile as cryptocurrencies can be, I wouldn't worry about where the price is going in the short term. It's far too hard to predict. And with the cryptocurrency industry, it's all about the long-term growth potential it offers.

So rather than worry about where the price might be tomorrow, it's crucial to focus on whether you believe that cryptocurrencies like Bitcoin and [blockchain technology](#) will have a significant impact on society over the long run.

Because if you are bullish on crypto, with the entire industry, especially well-known coins such as Bitcoin, trading right now at a massive discount, it could be one of the best times in recent months to be buying.

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