



Why Bitcoin Rose 20% Over the Weekend

Description

It's been a wild rebound over the last week for **Bitcoin** ([CRYPTO:BTC](#)). The cryptocurrency soared over the last few weeks from its January lows, reaching three-week highs on Monday.

After closing at about US\$41,000 on February 4, Bitcoin surged on February 7 to over US\$43,000 and continued climbing. So what exactly happened over the weekend to get the crypto up so high?

What happened

The global downturn hasn't been good for Bitcoin, or cryptocurrency in general. Tech stocks all started off 2022 in a slump, with Bitcoin falling to a low of under US\$34,000 mid-January. While it then started a slow climb back up, it wasn't until last week that a huge jump came.

This came along with the news that expected new jobs data in the U.S. was higher than expected. Despite the surge in Omicron variant cases, especially in the U.S., businesses were able to remain open and see jobs increase.

The positive news affected the tech industry, and Bitcoin as well, leading many to believe they should get back in on strong economic sentiments. Bitcoin then broke its downward trend in the relative strength index (RSI), moving from 'neutral' to 'buy' territory.

So what

If you think you've missed out on Bitcoin now, think again. Research reports over the weekend also came out declaring the cryptocurrency could rise as high as US\$200,000 in 2022. This comes from some analysts believing the strength in the market will have investors return, similarly to the July 2020 price bottom that occurred.

That being said, the exact opposite could also happen for Bitcoin. The last time there was a jump like this, the coin then collapsed 36% back in December 2021. So it may be a time for investors to sit back

and see what happens for a bit. That, or seek out other [options](#) related to the rise in Bitcoin, but at a cheaper price. That could include exchange-trade funds, mining companies, or asset managers.

Now what

There are two things that Bitcoin investors may want to watch. The first is how high the share price rises. If it continues at a hot pace, then there is very likely to be a drop back. So definitely keep a watch for signs of a downward spiral. Right now, Bitcoin faces a strong resistance around around US\$45,000. As of writing, it trades at US\$43,671.

A drop could be from the second point, which is that the U.S. Federal Reserve still has to raise interest rates. This rise in cryptocurrency and jobs rates definitely feeds into that, and rates are expected to rise sometime in March.

As earnings season continues, investors are going to be watching these volatile stocks like Bitcoin for signs to buy, or sell. We definitely aren't out of the woods yet. But positive [momentum](#) in Bitcoin is certainly good news. And not just for cryptocurrency, but for investment in the stock market as a whole. After all, if you have that much cash to blow, you certainly believe there's more good news coming your way.

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