



## Bitcoin: How Long Will the Dip Last?

### Description

[Bitcoin's \(CRYPTO:BTC\)](#) price has been stuck in a range since last year. At the time of writing, it's trading slightly lower at \$48,250. That's 40% below its all-time high. Several factors are culminating to keep this price suppressed. Long-time investors have seen this play out in the past. They call these extended periods of lower prices "crypto winters."

Now, investors must take a closer look at the digital asset sector and its place in the global economy to figure out if we're in another crypto winter.

### Bitcoin bear markets

Bitcoin has been through several bear markets in the past. In fact, previous dips were much more severe and longer lasting.

In June 2011, for example, the token lost 99% of its value in a matter of weeks. Mt.Gox, the largest crypto exchange in the world, admitted that hackers had stolen BTC worth millions from users on their network. The news was devastating for the community, and BTC didn't recover until two years later.

In 2013, Mt.Gox collapsed, creating another severe dip. BTC lost roughly 83% of its value over the course of that year. The price wouldn't recover until late 2016-2017, when the cycle turned again.

As you can see, the cycles tend to be two or three years long. The most recent boom market seems to have played out between 2020 and 2021. Based on historical trends, the current bear market is already underway and could last until next year or even 2024.

### What should investors do?

Historically, crypto winters or extended bear markets have been excellent buying opportunities. Accumulating BTC at these levels could be an ideal strategy for long-term investors.

This strategy would not work if the global adoption of Bitcoin was slowing. Instead, adoption seems to have gathered pace in many parts of the world and investors need to monitor these developments.

## Growing adoption

Several nations and institutions have adopted Bitcoin this year, signaling that the digital asset is gaining influence with the world's wealthiest investors. This week, the Russian Ministry of Finance introduced a bill that would regulate and allow Bitcoin trading and mining. This bill was introduced despite objections from Russia's central bank, which indicates a willingness to make Bitcoin a part of the mainstream economy.

Meanwhile, Ukraine introduced a new "Virtual Assets" law, despite the looming threat of war with Russia. The bill creates a government agency to oversee crypto transactions and recognizes such transactions as an officially legal investment activity. The European Union is considering a similar bill while regulators in Thailand have approved a link that would bring digital assets to their stock exchange.

Adoption on this scale is an indication that there's still plenty of interest in cryptocurrencies. It also indicates that there is a price floor on the value of BTC. If we're in a bear market, it could be short-lived.

## Bottom line

Bitcoin is trading 40% below its all-time high, but nations and institutions keep adopting it. Better regulations and steady demand could make this ongoing bear market short-lived.

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**Date**

2025/07/06

**Date Created**

2022/02/22

**Author**

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