



Bitcoin Bulls Predict Rise to US\$48,000

Description

Crypto bulls are creating [hype](#) again following **Bitcoin's** ([CRYPTO:BTC](#)) jump to US\$44,354.64 on March 1, 2022. While the price dropped below \$44,000 the next day, analysts say the price is consolidating around that level. Ki Young Ju, the CEO of on-chain analysis firm CryptoQuant, sees the price heading higher. He adds that the "BTC accumulation phase" has begun.

As of this writing, the world's most popular cryptocurrency is still 35% off its all-time high of US\$67,566.83 on November 9, 2021. BTC investors are also losing 5.1% year-to-date. Anonymous Twitter user Rekt Capital said the sideways price movement indicates that BTC has entered a volume gap.

No significant catalyst

Current events, particularly the war in Eastern Europe, has an effect on the cryptocurrency market. David Lifchitz, managing partner and chief investment officer at ExoAlpha, notes the hard bounce in BTC hours after Russia announced a national ban on foreign FX transfers.

Elliptic, a blockchain analytics company, reports that the Ukrainian government was able to raise US\$35,000 from 35,000 crypto-asset donations since the start of the invasion. The rapid move upward "stalled at \$44,000, which coincided with the 100-day moving average," according to Lifchitz, which is "also near the top of the \$33,000-\$45,000 range in which Bitcoin has been trading in for weeks.

Still, Lifchitz see BTC going down a bit between US\$33,000 and US\$45,000. He implied, too, that breaking above \$45,000 and moving higher is difficult without any [significant catalyst](#).

Rate hike implications

The meeting of the Federal Open Market Committee (FOMC) of the U.S. Federal Reserve on March 16, 2022, could have far-reaching effects on Bitcoin and other cryptocurrencies. According to Lifchitz, a rate hike strengthens the U.S. dollar technically, and could weaken BTC.

Economists estimate there will be about six rate hikes by the Fed in 2022. The Bank of Canada started its [rate hike campaign](#) to curb inflation. More increases could follow the initial hike to 0.5% before the year is over. Jeff Dorman, chief investment officer at Arca, said dollar-based stablecoins would be more attractive if the dollar strengthens against other currencies. Their growth could continue regardless of the U.S. dollar's value.

Potential growth

On March 2, 2022, Fortune reports that the market cap of the cryptocurrencies has risen above US\$2 trillion, largely due to the surge of BTC. Data from CoinGecko shows the crypto market's value is US\$2.04 trillion. However, the market cap is lower than the US\$3 trillion seen four months ago.

Bitcoin and **Ethereum** accounts for US\$1.2 trillion of the overall market cap of cryptocurrencies. Despite the negative returns thus far in 2022, analysts believe BTC could still show the best growth this month. The current price is 26.6% higher than its January low of US\$35,030.25.

Risky asset but no threat to sanctions

Jake Chervinsky from Blockchain Association said politicians shouldn't worry about a country evading economic sanctions using cryptocurrencies because it's not feasible. Apart from the scale required, the crypto winter began earlier than the war. A flash crash even occurred in December 2021.

Bitcoin remains a risky asset, given the wild price swings. The advice is to invest at your own risk or with money you can afford to lose. Other investors might invest for the long haul and wait for the broader adoption of digital currencies.

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Date

2025/08/25

Date Created

2022/03/05

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