



Can Bitcoin Reach US\$100,000 in 2022?

Description

Most cryptocurrencies are down year to date, after touching record highs in 2021. **Bitcoin** ([CRYPTO:BTC](#)) continues to lead the [cryptocurrency](#) market with a market cap of US\$782 billion. At the time of writing, the BTC token is down 40% from all-time highs. Despite the pullback, BTC has surged over 4,000% in the last five years to currently trade at US\$41,280.

Let's see if Bitcoin can continue to surge higher and touch US\$100,000 by the end of 2022.

The bull case for Bitcoin

One of the key reasons for the [stellar returns of Bitcoin](#) is the widespread adoption of digital assets. The exponential gains of cryptocurrencies in the last decade have increased demand at a stellar pace. In fact, according to data from [Coinmarketcap.com](#), there are more than 17,000 cryptocurrencies in circulation in 2022 compared to less than 600 in 2015.

Several institutional investors, such as Ark Invest, remain bullish on the long-term prospects of Bitcoin. Additionally, publicly traded companies, including **Tesla**, **MicroStrategy** and **Block**, hold Bitcoin on their balance sheets.

While it's difficult to fundamentally value cryptocurrencies, investors need to consider the real-world utilities of the blockchain networks. Bitcoin was accepted as a legal tender by El Salvador last year, and it's also accepted as a form of payment by several merchants all around the world.

Further, Bitcoin and its peers are well positioned to disrupt the global remittance market worth US\$500 billion. While traditional payment systems are slow and expensive, Bitcoin's network is fast, secure, and cheap. It might be difficult for Bitcoin to replicate its historical gains, but there is a good chance for BTC to outpace major stock market indices going forward.

Inflation and BTC prices

The ongoing pandemic led to an oversupply of fiat currencies such as the USD and CAD. Most federal governments part of the developed world pumped in billions of dollars to support individuals and businesses, as economic shutdowns steered unemployment rates to multi-year highs.

The [ultra-loose monetary policy](#) encouraged consumer spending and when coupled with supply chain disruptions increased inflation numbers to 40-year highs. There is no limit to the amount of fiat currencies governments can print. However, the number of total BTC tokens available is limited to 21 million, making it anti-inflationary in nature.

The primary goal of investing is to outpace inflation and increase purchasing power over time. Investing in asset classes such as equities allowed you to beat inflation rates as the S&P 500 has gained over 10% annually for the past six decades. But the staggering gains of Bitcoin and other digital assets such as **Ethereum** and **Solana** have brought cryptocurrency investing to the forefront.

The Foolish takeaway

Yes, investing in cryptocurrencies carry massive risks due to the lack of regulation and volatility associated with this highly disruptive asset class. The price of the BTC token has plunged by more than 90% several times in the past. Alternatively, you would have always generated positive gains if you'd held Bitcoin for a period of more than four years.

It's not easy to predict the price movements of BTC in the near term. But the cryptocurrency space should benefit from multiple secular tailwinds going forward, making Bitcoin an ideal bet for long-term investors.

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