



Why Bitcoin Could Make a Solid Move Higher From Here

Description

Finally, **Bitcoin** ([CRYPTO:BTC](#)) has broken out of the window within which it has been trading since the beginning of 2022. Recently, its price shot up to a three-month high. In fact, for the first time since January, an overnight surge resulted in this [cryptocurrency](#) shooting above the \$48,000 mark. Right now, this token remains around the [\\$46,000 level](#), at the time of writing.

There are multiple factors driving this move. Let's dive into a couple key reasons why Bitcoin may continue higher in the coming months.

Bitcoin Lightning Network and its continuous growth

Built on top of Bitcoin, the Lightning Network is a set of rules or a protocol that can be utilized to receive and send Bitcoin almost in an instant and with immensely low fees.

Last year, the Bitcoin lightning network set new all-time highs in terms of capacity and usage, and its trend of growth is displaying zero signs of a slowdown. This network will probably receive a major portion of Bitcoin's technical development throughout the year. Additionally, various reports state that Bitcoin's lightning network could grow at a 30% compounded rate over time. That's something for crypto investors to consider, especially those who don't see Bitcoin as a meaningful currency.

Increased adoption of Bitcoin

Outside of Bitcoin being used for transactions, there are other forms of adoption worth looking at. Developers continue to assess the potential of utilizing Bitcoin for a variety of purposes. Generally speaking, in the crypto world, Bitcoin remains the gold standard upon which other tokens are priced.

As Bitcoin continues to gain political acceptance, this trend could continue. The adoption of Bitcoin as a currency via El Salvador is a step in this direction for other small nations. Should this momentum pick up, many expect Bitcoin to become truly ubiquitous as far as cryptocurrencies go.

Additionally, inflation is a key factor many investors are forced to contend with. Given Bitcoin's capped supply, inflation could turn out to be a positive for those holding these tokens. So long as investors continue to see value in Bitcoin as a store of value, these tokens have hedging potential that investors may not want to discount right now.

Bottom line

Like all cryptocurrencies, Bitcoin carries a rather high level of risk. This risk stems mainly from market volatility, with digital assets being much more volatile than other investments, including equities. Accordingly, Bitcoin and other tokens may be best suited for those with higher risk-tolerance levels.

That said, the historical returns for Bitcoin are impressive. Investors who have sat pretty on their holdings over the long term have done well. Over time, I think Bitcoin's ability to remain the "reserve currency" of crypto is something that makes this token special. Accordingly, should the market continue to see positive momentum, Bitcoin is a top token that could outperform in the months to come.

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