



## Bitcoin to \$100,000: Is it Possible This Year?

### Description

When **Bitcoin** ([CRYPTO:BTC](#)) breached the US\$50,000 mark for the first time on February 17, 2021, crypto bulls were as one in saying the price could easily hit US\$100,000 by year-end. The 438.2% jump from a year earlier was impressive [growth](#) and irresistible even if you're a non-believer in cryptocurrencies.

Bitcoin's price rose by US\$10,000 increments three times last year. It crossed US\$40,000 on January 8, 2021, after it rose past US\$30,000 early in the year. The price then soared above US\$50,000 on February 17. Less than a month later, or on March 13, 2021, BTC climbed over US\$60,000.

Fast-forward to April 2022, and several quarters are making bold predictions again, despite BTC [losing steam](#) since the start of the year. Is it possible that the price will hit US\$100,000? Crypto critics, however, advise people not to trust the hype or else risk incurring significant capital loss.

### Rise and fall

The crypto crowd was ecstatic in 2021 and thought their beloved crypto is the new digital gold. Some hard-core followers went further by saying BTC is a better store of value than the world's most precious metal.

Because of the pandemic-induced economic crisis, institutional investors went hunting for a safety net other than gold. Companies like **Microstrategy**, **Tesla**, and **Square Corp** took positions or converted their cash reserves into BTC to hedge against inflation. Standard Chartered Bank also predicted a year-end closing price of US\$100,000.

On November 8, 2021, Bitcoin posted an all-time high of US\$67,566.83 and spawned a new frenzy. However, the rally was short-lived as the price started to descend. A flash crash occurred on December 4, 2021, and BTC eventually finished the year at US\$46,306.45, or 31.5% lower than its peak.

CoinDesk reports that MicroStrategy recently purchased BTC at an average price of US\$45,714. Its

CEO, Michael Saylor, said the business-intelligence software firm has no plans to sell and will hold the crypto for the long term.

## Speculative bubble

As of this writing, the price of BTC is US\$45,304.04. It failed to cross the [support level](#) of US\$48,000 after closing in on March 29, 2022. The wild price swings leading to Q2 2022 indicate that Bitcoin remains excessively risky. To some market observers, the speculative bubble is similar to the dot.com era when people were overly optimistic about emerging technologies.

While Bitcoin is likely to be the face or leader in the cryptocurrency market, its endurance remains suspect at this point. Financial experts warn investors against investing in Bitcoin and cryptos in general. If you insist, make sure you can afford to lose the money or allocate only a small amount of Bitcoin in your portfolio.

## Invest at your own risk

Because Bitcoin has no fundamentals, predicting the price movement is difficult. The best investors can do is check the Crypto Fear and Greed Index. According to CoinDesk, the said Index is a metric that gauges the market sentiment of cryptocurrency at any given time.

A lower index value or 1 (extreme fear) indicates a buying opportunity. Crypto investors interpret a high index value or 100 (extreme greed) as a sell signal. The Fear and Greed Index provides valuable insight, but it's not an accurate or reliable trading indicator. Hence, the message is clear. Invest in BTC at your own risk.

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