



Bitcoin Tanks 38% in 2022: Buy It Cheap?

Description

Bitcoin ([CRYPTO:BTC](#)) is no stranger to ups and downs. The world's first [cryptocurrency](#) has gone through considerable corrections throughout its history — and right now, its valuation is US\$29,288.90, representing a 38% year-to-date decline.

If you've been following the cryptocurrency industry long enough, you might remember other times when the token's valuation dropped more than 50% in less than a month. Investors who managed to buy Bitcoin during those considerable dips have managed to rake in significant profits in its ensuring recoveries.

Bitcoin's price history

Bitcoin has had about seven major corrections (the price being slashed in half) since it was created. And Bitcoin has managed to bounce back strong from each of those declines.

In April 2013, Bitcoin fell more than 80% within a short timespan. It lost 50% of its value when China banned Bitcoin toward the end of that year as well. 2018 was a devastating year when it declined all the way to US\$3,000 per unit by December — and this was after it hitting a high of US\$20,000 a year earlier.

Most recent investors remember 2020 crash, when Bitcoin lost an enormous 50% in a matter of two days. May 2021 saw a similar decline in a short time span.

Yet, many people are buzzing about Bitcoin losing over 26% between May 4 and May 21, 2022, and declining 54% from its all-time high in November 2021.

Knowing where Bitcoin has been might be enough to give you confidence about where it might go. The historical performance indicates that the world's first cryptocurrency is here to stay, despite all the times it's appears to be down and out.

Of course no one can predict what Bitcoin will do next. Bitcoin has always managed to defy all

expectations regarding its valuation. The only thing that's been consistent over the years is its ability to climb to new all-time highs after massive declines.

Foolish takeaway

If you ignore all the noise about Bitcoin's volatility right now and consider getting exposure at historically valuable prices, buying Bitcoin today could be worth it for you. Dips like the one right now have been some of the best times to buy Bitcoin for the long haul.

However, it is important to understand that investing in Bitcoin or any other cryptocurrency entails a significant degree of capital risk. Allocating a significant portion of your investment portfolio to Bitcoin might not be the wisest decision, for even the most risk-inclined investors.

That's because there is no guarantee that Bitcoin will deliver the same results that it has to investors who have bought the crypto token during previous declines.

If you plan to invest in Bitcoin, be very careful with how much money you allocate to it. Cryptocurrencies are one of the riskiest asset classes available right now. While the risk can be worth it if it pays off, it can be devastating if it doesn't.

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