



No “Fat” Gains From Bitcoin (CRYPTO:BTC) in 2022?

Description

The opportunity for quick or fat gains from the world's most popular cryptocurrency in 2022 is nearly impossible. According to some industry observers, the bearish technical pattern of **Bitcoin** ([CRYPTO:BTC](#)) suggests a further price decline. Tightening monetary policies has extended the crypto winter longer than expected.

Bitcoin rose above US\$31,000 on June 6, 2022, but the rally did not sustain. As of this writing, the price is down to US\$29,085.20. Altcoin Sherpa, a crypto analyst, expects BTC to slow bleed and plunge to US\$20,000 eventually.

Not an inflation hedge

Lucas Outumuro, research head at data science company IntoTheBlock, said, “Bitcoin has not been an effective inflation hedge thus far as many thought.” On a year-to-date basis, the digital asset is down 35.8% year to date. While cryptocurrencies strongly correlate with tech stocks, BTC is doing worse than the slumping NASDAQ index (-27.52%).

For the prominent analyst, IT Tech, the price level to observe before any sustained bounce, ranges between US\$20,000 and US\$26,000. Robert Kiyosaki, author of *Rich Dad Poor Dad*, predicts the new bottom of Bitcoin to be around US\$9,000. **Ethereum**, the second-largest crypto, is in a similar downtrend with its year-to-date loss of 54.8%.

On June 7, 2022, Coinglass reports that the liquidation of Bitcoin and Ethereum positions was roughly US\$133 million. Moreover, BTC's market cap went down 57.06% to US\$563.33 billion since its price peaked at the all-time high of \$67,566.83 on November 8, 2021.

Crypto investments in Canada

The Bank of Canada worries about the efforts to regulate the cryptocurrency industry. Deputy governor Carolyn Rogers said, “This is an area that is still small but it's growing really rapidly. And it is largely

unregulated ... The Canadian monetary authorities do not want to wait until the trade and circulation of digital assets gets a lot larger before we bring regulatory controls in place.”

Based on the central bank’s report, the market value of the global digital currency market rose to US\$3 trillion in 2021 from US\$200 billion in early 2020. The number of [Canadians with BTC savings](#) also rose from 5% in 2020 to 13% in 2021. Thus, Ms. Rogers believes the need to regulate the crypto industry is immediate. Also, there must be clarity or agreement on how the government would do it.

Rogers said, “These are somewhat like banking assets, somewhat like capital markets. One of the challenges is to figure out how do they fit in the current regime, and if they don’t fit, how do we adjust the regime so that they will fit.” She added that the Feds’ concern is the possibility that Canadians do not understand the risks of cryptocurrencies, which are unregulated.

?One last major low

While the roller-coaster ride in Bitcoin is nothing new, crypto analysts warn of more volatility in the coming weeks. They said the raging war, rising inflation, and shifting monetary policy in the U.S. would drive volatility.

Edward Moya, a senior market analyst at foreign-exchange brokerage Oanda, said, “Bitcoin still could form one last major low, and that is preventing a lot of money from buying around the \$30,000 area. Macro conditions won’t improve anytime soon, so Bitcoin might have an extended choppy trading period.”

CATEGORY

1. Cryptocurrency
2. Investing

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. cliew
2. kduncombe

Category

1. Cryptocurrency
2. Investing

Date

2025/09/18

Date Created

2022/06/13

Author

cliew

default watermark

default watermark