



## Will Bitcoin and the Crypto Gaming Market Recover by the End of 2022?

### Description

The brutal market selloff hasn't spared [cryptocurrencies](#), as digital assets recently plunged by a wide margin. The US\$2 trillion crypto market crash has caused several decentralized currencies and stable coins such as **TerraUSD** and **Luna** to go belly up, while **Bitcoin** ([CRYPTO:BTC](#)), the largest cryptocurrency by market value, plunged 55.97% year to date. It is currently down more than 70% from its all-time high of US\$69,000 hit in 2021.

The aggressive interest rate hikes by central banks worldwide have been a major factor causing the crypto meltdown, along with the global liquidity crunch, as governments gradually phase out pumping money into economies. The recent stablecoin crashes have also spooked investors, causing the cryptocurrencies to lose most of their pandemic-era gains.

Several cryptocurrencies part of the metaverse or crypto gaming space have lost significant momentum in the last six months. For example, the prices of cryptocurrencies such as **The Sandbox** and **Decentraland** are now down 80% in 2022, wiping off massive investor wealth.

### Crypto winter and innovation

The pandemic-era bull market ended earlier this year, with cryptocurrencies wiping off their 2020 gains to hit new lows recently. Last weekend, Bitcoin prices fell below US\$18,000 for the first time since December 2020, registering a multi-year low. The crypto selloff last month wiped off more than US\$300 billion in market value in what experts claim to be a "perfect storm."

While industry experts predict that most of the +19,000 cryptocurrencies in circulation will fade away during the harsh crypto winter, industry leader Bitcoin is expected to regain momentum soon. Guggenheim's chief investment officer Scott Miner expects Bitcoin and **Ethereum** to survive the ongoing crypto selloff.

However, crypto moguls have embraced the recent sell-off, with experts claiming this was much needed. Over the last two years, the crypto rally caused digital assets to trade at unsustainable valuations and paved the way for speculative cryptocurrencies with no intrinsic value.

Web3 Foundation CEO Bertrand Perez said, “We’re in a bear market. And I think that’s good. It’s good, because it’s going to clear the people who were there for the bad reasons.”

A bear market is often the cradle of innovation and provides an opportunity to build path-breaking products. Earlier this month, Cantina Royale, announced a Web3-based free-to-play and play-to-earn metaverse components on the **Elrond** blockchain network.

The game focuses on the addition of Web3 elements such as NFT-based in-game assets creating additional value for players. Cantina Royale emphasized the game is fueled by the Verko metaverse experience framework enabling a new gaming experience for players.

The Verko framework allows game studios to augment titles with blockchain functionalities with a few lines of code. Cantina Royale raised US\$4.5 million in funding, which was led by Elrond and Mechanism Capital.

## Bitcoin price predictions for 2022

British cryptographer and hashcash inventor Adam Back expects bitcoin to hit the US\$100,000 mark by the end of 2022. However, this largely depends on the SEC’s approval of the **Grayscale** BTC ETF application.

The burgeoning metaverse growth should drive Bitcoin’s recovery in the near term. With a majority of the tech giants investing heavily in blockchain and the development of web3, cryptocurrencies are expected to regain momentum soon. Also, Russia’s plans to use cryptocurrencies for international transactions could trigger a Bitcoin rebound.

CryptoNewz predicts Bitcoin prices to exceed US\$70,000 by the end of 2022, with a minimum price target of US\$65,000. This indicates a stellar rebound from the current Bitcoin price levels.

While concerns regarding a potential recession aggravate the bearish sentiment, Stablecorp CEO Alex McDougall expects Bitcoin to hold out and perform relatively well. He said, “Crypto’s technology aspect will do extremely well in a recessionary environment. And especially if the recession is a bad one that causes confidence to fluctuate. Don’t forget, crypto was born out of the 2008 meltdown.”

## The Foolish takeaway

Cryptocurrencies are gaining popularity rapidly as people and governments explore the benefits of digital assets. While the latest pullbacks following the Federal Reserve’s 75-basis-point interest rate hike spooked investors, Bitcoin prices have been holding steady above the US\$20,000 levels over the last few days. With many experts stating that crypto markets are oversold, Bitcoin is expected to make a comeback in the second half of 2022.

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