



## Will Bitcoin Plummet to \$5,000 in 2022?

### Description

Cryptocurrency is in a bear market this year, the likes of which it has not seen yet in the 13 years the industry has been around. **Bitcoin** ([CRYPTO:BTC](#)) is down by over 54% year to date, and the world's largest cryptocurrency is down by over 72% from its latest all-time high in November 2021. At writing, Bitcoin has slumped to US\$21,757.80, and it keeps struggling to remain above the US\$20,000 mark.

Life has not been easy for cryptocurrency traders in 2022, and it seems that Bitcoin and its peers will see further declines. Many analysts predict that 2022 could be one of the worst years for the beleaguered cryptocurrency industry, and Bitcoin prices could slump to previously unimaginable lows.

Today, we will take a look at what is happening if the premier crypto token cannot hold onto its support levels of US\$19,000.

### Why is Bitcoin declining?

Several de-leveraging and liquidation events in the last couple of months have seen the cryptocurrency industry slump to multi-year lows. The weakness in the macroeconomic environment has catalyzed the downturn sparked by the collapse of **TerraUSD** and **Luna**.

Rising interest rates in the U.S. and Canada have significantly deteriorated borrowing power, making it more challenging for investors to explore risky asset classes.

Cryptocurrency investing is always risky, because these assets do not have any intrinsic values. Investing in cryptocurrency is always a leap of faith. The entire situation is scary for cryptocurrency investors. However, those who have been trading cryptocurrencies for a long time have seen similar situations before.

2018 saw Bitcoin decline by 80% peak to trough, but the trend reversed. Bitcoin began recovering from its massive losses toward the end of 2019, and by 2020, it started soaring to new all-time highs.

## But how low could Bitcoin go?

Despite the fact that Bitcoin trades for over US\$21,000 at writing, the world's largest cryptocurrency has struggled to maintain these levels. It has been slipping below the US\$19,000 mark every few days for the last few weeks. Cryptocurrency analysts believe that if it cannot maintain its support levels at US\$19,000, the next few months could be disastrous for Bitcoin investors.

Failure to maintain the current support levels could see Bitcoin decline to and maintain a price range around US\$14,600. However, a few veteran Bitcoin analysts believe that Bitcoin could eventually crash to a price as low as US\$5,000 by the end of the year. Peter Schiff, the analyst who has made the prediction, believes that Bitcoin charts are already disastrous, and it is only a matter of time until it declines further.

Most other analysts predict that it could fall between US\$11,000 and US\$18,000. With Bitcoin already maintaining levels near US\$19,000, it is already near one of those lows predicted by analysts.

## Foolish takeaway

[Investing in cryptocurrency](#) does not seem like the most viable way forward. The prediction of Bitcoin going as low as US\$5,000 might seem overblown. However, the cryptocurrency industry has a reputation for surprising everyone with unpredictability. With no intrinsic value, investor sentiment largely defines the price movements for these decentralized digital tokens.

It remains to be seen whether Schiff's prediction will come true, but it would not be surprising to see that happen. Long-term crypto bulls might not mind watching Bitcoin drop to those levels because it could allow them to invest in the token for a massive discount and hold on for dear life to see their investment grow in the next few years.

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