



## Top Bitcoin (CRYPTO:BTC) Investor Lost US\$917 Million

### Description

The world's largest and most popular cryptocurrency hasn't closed below US\$20,000 since July 17, 2022. Although **Bitcoin** ([CRYPTO:BTC](#)) is still down 50% year to date, crypto bulls remain super bullish. According to a survey market-making firm Cumberland, there's high optimism among its clients that a large rebound is coming after the next sharp drop.

Poll respondents see Bitcoin falling to as low as US\$16,000 from its current price then jumping to US\$32,000 sometime this year. Besides the lengthy crypto winter, the recent hack by an unknown attacker on **Solana** ([CRYPTO:SOL](#)) digital wallets has heightened volatility in the [crypto market](#).

### Resiliency is questionable

The resilience of Bitcoin and other cryptos is still questionable right now. Utkarsh Sinha, managing director at investment bank firm Bexley Advisors, said, "Crypto is not, at least today, a retail investment product. Most retail investors have been brought in by classic pump and dump operators who have been seeking the greater fool."

Sinha added, "If anything promises you overnight success, chances are it's not sustainable, as the current crash has demonstrated."

Sharat Chandra, VP at blockchain-based identity management platform EarthID, advised, "Crypto-assets aren't bereft of volatility risk. Investors should assess their risk appetite and invest accordingly."

For many institutional investors, Bitcoin is the gateway into the cryptocurrency market. Some are even investing in non-fungible tokens (NFTs) and the metaverse. **MicroStrategy**, led by Michael Saylor, bought US\$425 million worth of Bitcoin in 2020. Payment processor firm **Square** and carmaker **TESLA** purchased the crypto in 2021.

Fast forward to the second quarter (Q2) 2022, MicroStrategy reported a US\$917 billion loss on Bitcoin investments during the quarter. Saylor, its co-founder and Bitcoin maximalist, resigned as CEO on August 3, 2022. But for *Shark Tank*'s Kevin O'Leary, the time to buy Bitcoin is now, while the

institutional investment is at an extremely early stage.

O'Leary recommends going long on crypto before institutional finance like sovereign and pension funds move into the crypto space. He believes it's an opportunity for investors to get ahead of the trend. O'Leary thinks it will happen by January or February 2023 and cause Bitcoin's price to double overnight.

## Large-scale wallet hack

Solana is doing worse than Bitcoin. At US\$39.29, the crypto is losing by 77% year to date. Published reports say thousands of Solana users lost US\$4.5 million worth of the token due to a large-scale wallet hack. An investigation is ongoing, although initial info points to an inadvertent transmission of a private key information to an application monitoring service.

The mobile software wallet is Slope, but the team isn't taking responsibility for the attacks. Matthew Dibb, chief operating officer and co-founder of Stack Funds, expects continued selling pressure over the short run as details of the hack emerge. The latest hack, including repeated security and technical issues, has caused immense harm to Solana, and, therefore, a swift recovery is doubtful.

## Speculative assets

The signs are clear that Bitcoin and other cryptocurrencies aren't performing well in a slowing economy, surging inflation, and rising interest rates. Retail investors should be cautious because they remain as risky, speculative assets. In the current environment, the chances of a bust cycle are higher than a boom cycle.

### CATEGORY

1. Cryptocurrency
2. Cryptocurrency

### TICKERS GLOBAL

1. CRYPTO:SOL (Allbridge Bridged SOL (Near Protocol))

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
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