



Bitcoin Has Been Quiet: Buy or Sell Before 2023?

Description

The crypto winter is likely to extend if unfavourable macroeconomic conditions persist. **Bitcoin** ([CRYPTO:BTC](#)) had a rally in mid-August 2022, but it didn't sustain it. According to some market analysts, the world's largest [cryptocurrency](#) is stuck below its resistance level of US\$22,000.

BTC rose above US\$24,000 two weeks ago, only to lose momentum in the ensuing days. As of this writing, the price is down to US\$20,366.51, and Bitcoin holders are losing by 56% year to date. Because of the aggressive stance of the Feds to curb inflation through multiple rate hikes, expect the risk appetite for volatile assets to keep falling.

U.S. Federal Reserve Chairman Jerome Powell said last week the central bank would continue with its tightening cycle. Bitcoin tanked 5.66% following Powell's comments that the current situation requires a restrictive policy for some time. The dilemma of crypto investors is whether to buy or sell BTC before 2023.

More pain ahead

St. Louis Federal Reserve President James Bullard thinks markets are mispricing inflation. He warns that price pressure will be sticky for longer than most investors anticipate. For Phil Streible, the chief market strategist of Blue Line Futures, the few keywords from Powell will impact Bitcoin and the crypto market in general.

Michael van de Poppe, the chief executive officer (CEO) of Eight Global and a crypto analyst, believes various movements in BTC could happen. When the U.S. Federal Reserve raised its benchmark rate by 75 basis points on July 27, 2022, Powell said the U.S. economy was not in recession. The remark caused Bitcoin to rise above US\$23,000. However, the narrative has changed since.

Market observers noted the correlation between cryptos and rate-sensitive [technology stocks](#). They added that the crypto market has increasingly tracked the stock market in recent months, and therefore, it's even more vulnerable to global economic factors.

More valuable today

Martin Hiesboeck, the head of blockchain and crypto research at Uphold, said investors are concerned about the long-term viability of Bitcoin and other cryptos. Nevertheless, BTC's price today is 80% higher than it was two years ago. It also posted an all-time of US\$67,566.83 on November 27, 2021. People who sold the crypto on the spike earned a considerable windfall.

Shivam Thakral, CEO of crypto exchange BuyUcoin, said, "The market is expected to remain choppy in the coming weeks." However, he added that the current dip in the crypto prices allows investors to buy crypto at 2021 prices. He also expects seasoned investors to take advantage of the dip.

Kiana Danial, the founder of Invest Diva, expects short-term volatility but long-term growth for Bitcoin. Other crypto experts agree with the assessment and cite the trend of BTC increasing its value over time. Jurrien Timmer, director of global macro at Fidelity Investments, predicts a sustainable rise with the organic market movement driving its long-term value.

Danger zone

Oanda's senior market analyst, Edward Moya, says Bitcoin is still in the danger zone, despite the brief recovery in mid-June 2022. Still, many investors search for a bottom to BTC before buying, anticipating outsized gains when the crypto rebounds. Still, the sound advice is to exercise caution, because risk assets struggle during inflationary periods.

CATEGORY

1. Cryptocurrency
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