



Bitcoin (CRYPTO:BTC) – Will it go to \$100,000 or \$0?

Description

Bitcoin's ([CRYPTO:BTC](#)) price has been tanking this year. Starting the year at US\$47,000, it had fallen to US\$22,000 by the time of this writing. That's a 53% decline. Although Bitcoin has always been volatile, this year's bear market has been among the worst ever. In dollar terms, Bitcoin has never lost more value than it has lost this year. In percentage terms, this year's sell-off is not quite on par with 2018, when the price fell 80% – but it's up there.

It's only natural, in a market like this, to see wild predictions being published. Just as, in the 2021 bull market, people were calling for Bitcoin to hit US\$100,000, people are now calling for it to go to \$0. It seems to be part of human nature to think that past results will continue forever. So which group is making wild Bitcoin predictions – the extreme bulls or the pessimistic bears?

Why some people think Bitcoin could go to US\$100,000

You don't hear as many people predicting that Bitcoin will go to US\$100,000 these days as you used to, but it's not unheard of for some true believers to cling to that price target. In the 2021 bull market, it was a common psychological milestone that many Bitcoin fans wanted to hit. Nobody can ever predict what price any asset will go to. However, the Bitcoin bulls had some plausible arguments pointing to the possibility of sustained price appreciation, if not a US\$100,000 price.

The most credible of these points was the supply cap. There can never be more than 21 million Bitcoin. Whereas U.S. and Canadian dollars can increase in supply forever, Bitcoin has a limit. The theory back in 2021 was that this limit combined with rising demand would take BTC to extreme price levels. Many thought that US\$100,000 was possible.

Another point that Bitcoin bulls highlight is rising adoption. At the height of the Bitcoin bull market, El Salvador adopted Bitcoin as legal tender. Other countries explored doing the same. It looked like only a matter of time before Bitcoin could supplant the U.S. dollar. That never happened, but it looked like it could for a while.

Why some think it could go to \$0

Back when Bitcoin's price was rising, people thought it would rise forever. Now that its price is falling, some think that Bitcoin will fall forever – or more specifically, fall to \$0. On the day I wrote this article, futures strategist Phillip Streible went on Bloomberg to say that Bitcoin [will fall to zero](#). Stating that Bitcoin is not a safe haven asset, he explained that it has no intrinsic value. It is true that, if Bitcoin were valued based on some ownership claim, it would be worth \$0 – Bitcoin does not give you “ownership” of anything. However, being a [cryptocurrency](#), its value is not based on ownership of some other thing, it's based on its ability to be used in transactions. Bitcoin can indeed be used to buy and sell things. It's somewhat slow compared to credit cards, but it basically works.

Most likely outcome?

Having looked at the bullish and bearish cases on Bitcoin, I'm ready to give my opinion:

BTC is not going to \$100,000 or \$0 any time soon. The speculative frenzy that was pushing Bitcoin higher last year is just not a factor today, there isn't enough demand for it to hit \$100,000. On the other hand, claims that it will go to \$0 ignore its real use cases. Some people, such as refugees from authoritarian countries, have a real need for money that can't be tracked by large institutions. Bitcoin suits their needs better than any bank card does, so there'll probably always be some amount of demand for Bitcoin and other digital currencies like it. As for how much demand, I can't say, but a \$0 Bitcoin price seems unlikely.

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