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JPMorgan Says Bitcoin Price Undervalued Relative to Gold, Sees Path to \$165K



By Micah Zimmerman October 2, 2025



Bitcoin could be undervalued compared to gold, according to [new research](#) from JPMorgan, which says the world's largest cryptocurrency has "significant upside" if the so-called "debasement trade" continues to gather momentum.

The bank's analysts estimate bitcoin could climb as high as \$165,000 — roughly 40% above current levels — based on volatility-adjusted comparisons with gold. The calculation reflects the amount of capital needed to hold bitcoin versus gold and comes at a time when demand for both assets is surging.

"The steep rise in the gold price over the past month has made bitcoin more attractive to investors relative to gold, especially as the bitcoin-to-gold volatility ratio keeps drifting lower to below 2.0," the analysts wrote.

By JPMorgan's math, bitcoin's market cap of \$2.3 trillion would need to rise by nearly 42% to match the \$6 trillion invested in gold bars, coins, and ETFs when adjusted for relative risk.

Bitcoin **did just end the third quarter** of 2025 at a record high, fueling the belief among investors that Bitcoin's price will go up further into the final quarter of the year.

Bitcoin closed September about 5% higher at roughly \$114,000, defying expectations of seasonal weakness. September has often been a difficult month for Bitcoin, but when it has finished higher, the final quarter has tended to deliver outsized gains.

Data **shows** that in years such as 2015, 2016, 2023 and 2024, positive September closes were followed by fourth-quarter rallies averaging more than 50%.

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Bitcoin's debasement trade

The projection highlights a growing investor shift toward assets viewed as hedges against fiat currency devaluation. That strategy, **known as debasement**, has seen money pour into both bitcoin and gold exchange-traded funds (ETFs) over the past year.

Retail investors are leading the charge, JPMorgan said, with flows into spot bitcoin ETFs initially outpacing gold earlier in 2025.

Gold inflows, however, have caught up since August as geopolitical tensions and concerns over fiscal deficits renewed interest in the yellow metal.

The rising popularity of bitcoin and gold reflects **deeper economic anxieties**. With inflation worries lingering, government deficits ballooning, and confidence in central bank independence wavering, many investors are rethinking their trust in fiat money.

In emerging markets where currency depreciation is more visible, the appeal of holding scarce assets has grown stronger.

JPMorgan isn't necessarily predicting Bitcoin will hit \$165,000. Instead, it's a theoretical exercise showing where Bitcoin would need to be to match gold when adjusting for volatility.



Still, with more ETFs, custody options, and institutional trading, Bitcoin's role as a portfolio hedge seems stronger than in previous cycles. As of Thursday morning, bitcoin was trading near \$120,000, roughly \$45,000 below where JPMorgan's model suggests it should be.

