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This pattern suggests bitcoin could be en route to \$20,000, in one chart

By Aaron Hankin

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Does bitcoin operate in a 4-year cycle?



MarketWatch photo illustration/iStockphoto

Bitcoin may be getting its groove back, albeit slowly. The digital currency finally snapped a record-setting, six-month losing streak by closing out February with a win, gaining 11% to finish the month just shy of \$3,800.

lofty levels seen in the latter parts of 2017.

Read: Bitcoin is about to do something it has never done before — hint: it's not good

In a chart produced by Canaccord Genuity Capital Markets, there's a striking resemblance in trading patterns between the periods 2011-2015 and 2015-2019, and if the trend continues, HODLers — those that never sell their digital currency — could be set for a change in fortunes. But it may take a while.

"Looking ahead, if bitcoin were to continue following the same trend as in the years 2011-2017, the implication is that bitcoin would be bottoming approximately now and would soon begin climbing back towards its all-time high of ~\$20,000, theoretically reaching that level in March 2021," wrote Michael Graham and Scott Suh of Canaccord Genuity Capital Markets, in a research note to clients.

Pattern recognition



Bitcoin price

Furthermore, it's not just the chart pattern that suggests bitcoin may be operating on a four-year cycle. The block reward, which is the prize miners receive when solving the mathematical puzzles on the blockchain, is halved every four years. At inception, each block was worth 50 bitcoins. Now, the reward stands at 12.5 bitcoins per block. The system is part of controlling the supply of the digital coins to counter inflationary issues.

Read: What crypto bear market? Investment funds have poured \$1.6 billion into the industry since 2018



point to several tangible catalysts that could propel the price of bitcoin in 2019. For one, institutional custody solutions are expected to launch in the first half of 2019, led by Fidelity Digital Assets,” wrote Graham and Suh.

The two analysts added improvements in scaling — the ability to process more transactions at a quicker pace — and growth in emerging market countries as other possible catalysts for a move back to the elusive \$20,000 mark.

In most recent trade, a single bitcoin was fetching around \$3,750.

Read: The ‘existential threat’ cryptos pose to traditional payments systems ‘bears watching,’ says expert

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**AARON
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Aaron Hankin is a MarketWatch reporter in New York who covers cryptocurrency and financial markets.

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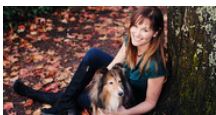
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Conversation (23)

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hair spray ★ Influencer · 5 Mar · Edited

hehe, it seems as the price of bitcoin hints to higher levels, comments here show more signs of jealousy and envy. It must sting. :P

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climbing back towards its all-time high of ~\$20,000, theoretically reaching that level in March 2021,"

Theoretically. Lol.

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Ron Dwyhalo ★ Contributor · 5 Mar

Just put "IN GOD WE TRUST" on bitcoin & bitcoin goes past the moon and all the way to HEAVEN !!

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alex solomon ★ Leader · 5 Mar

Hmm...I see the chart pattern to \$20,000 (..There is a sucker born every minute...kind of thing) but it lacks the other side of the mountain, the \$20,000 to the recent \$3,700 thingy...Let's just do nothing, and wait for the next shoe to drop, say from this \$3,700 to \$370 ? Doesn't take much to accomplish that, maybe a couple more of the \$200 million hacking jobs which all experts assured us are never going to happen, but they did...

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Dean Warren ★ Leader · 5 Mar · Edited

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Hmmmmmm

It Has No Intrinsic Value.

How do You Like the Emperors New Suit?

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Marc Tumarkit ★ Leader · 5 Mar · Edited

Is this 2017 or 2019? Bitcon kicked the bit bucket last year. A little to late to be hyping this toxic garbage. Your last chance for this kind of hype was December 2017.

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Bob Parrish ★ Leader · 5 Mar

The fact that cryptos' valuations fluctuate so much is one of the best reasons to doubt their use as a medium of exchange or a secure store of value. That's NOT true of the USD.

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Gordon Dressler ★ Leader · 5 Mar · Edited



You know, I saw pretty much the same pattern in some chicken bones in my trash can a couple of days ago . . . is that my clue to go "all in" on Bitcoin?

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Marc Tumarkit ★ Leader · 5 Mar



He will be recording his Youtube videos from a homeless shelter next year.

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Ron Dwyhalo ★ Contributor · 5 Mar → Marc Tumarkit



Lets just hope that his welfare isn't in bitcoin

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