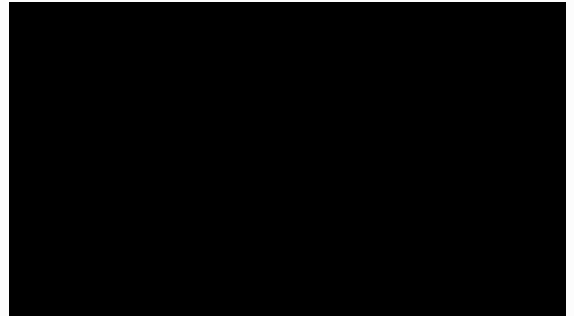


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# Bitcoin Is The New Gold



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(photo credit: Getty) GETTY

I always write about this basic idea when it comes to any investing: which way is the market going, up or down?

If you know, you are in great shape; if you don't, you should not be playing at all.

This is the question on bitcoin.

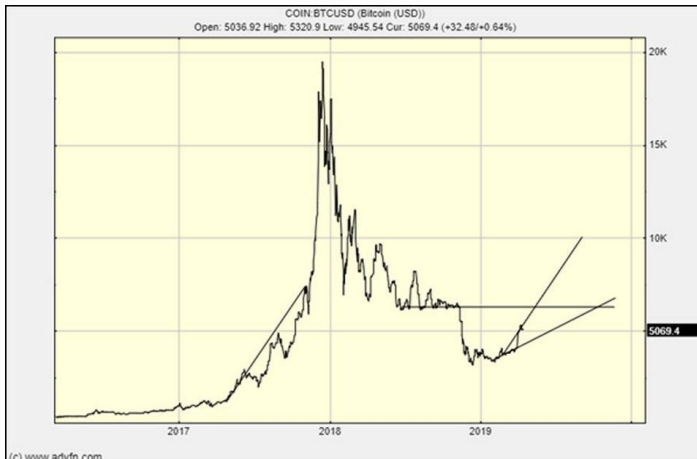
All last year I was saying, "It's going down, hopefully to about \$2,500." It hit the low \$3,000s.

going up. I think it will hit \$8,000 soon and go on to \$10,000.

At \$10,000 I will look to recalibrate.

For now the crypto winter is over.

Here is the chart:



The bitcoin chart: the crypto winter is over CREDIT: ADVFN

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This is a simple chart with some guidelines and there is a clear pathway upwards.

There is apparently a lot of China interest in crypto right now, with tether selling at a premium. This makes sense if the market considers a yuan dollar depreciation on the cards. Tether has been shown to be resilient, even if it is still a controversial coin. It remains a good place to stash capital from short-term moves, be that from bitcoin volatility or 'fiat' privations.

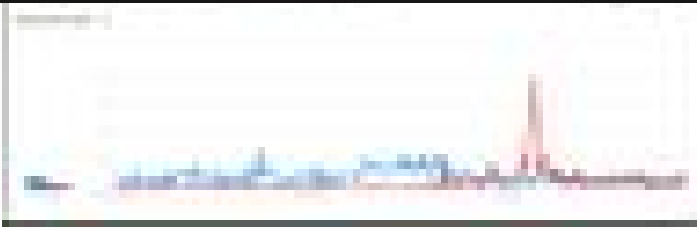
Bitcoin because fundamentally money flowing into crypto is what sustains and raises prices.

Bitcoin and altcoins have to have positive money flow because they are "mined" and have their monetary bases expanded with every block. For bitcoin \$9 million of new money must enter every day to match new supply. It's not that straight forward because if miners hodl on to some or all of their bitcoin, less money needs to enter on a daily basis to prop up the price. In the end, however, supply and demand creates the price and for new supply to be matched at current levels, more than \$3.3 billion dollars has to flow into bitcoin to make it go up.

That might seem a lot but it is not when you see the scale of modern markets. Gold production is \$140 billion, so that's the amount of fiat that most come into the system to keep its price around \$1,300 an ounce.

Both assets have about the same emission as a percentage; the difference being the market cap of gold is about \$5 trillion and bitcoin is \$0.09 trillion.

Gold is the global asset to hedge against risk and investors are incredibly interested in it. It is a mainstream asset dwarfing equities and other assets in the mind of the man in the street as an "investment."



Google searches for gold and bitcoin in the U.S. CREDIT: GOOGLE

When you drill down into mindshare, when you look at interest in the financial news, you can see what looks like bitcoin eating into the interest in gold, at least in the U.S.

If you look at the global picture this trend can't be seen as clearly and when you appreciate global interest in gold is driven by countries with low tech penetration it suggests that as time passes, bitcoin and crypto will increasingly share the flight capital/risk asset crown with gold.



Google searches for gold and bitcoin worldwide CREDIT: GOOGLE

Even if bitcoin takes 20% of that market, bitcoin will be through its previous \$20,000 high. That is without bitcoin continuing to be used for transactions or any other emergent use case or situation.

Bitcoin winter is over, the price is going up, the only question is how high. For now \$6,000 is an

a hard target. I'm still accumulating.

*Forbes Special Offer: Be among the first to get important crypto and blockchain news and information with Forbes Crypto Confidential. It's free, sign up now.*

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*Clem Chambers is the CEO of private investors Web site [ADVFN.com](http://ADVFN.com) and author of [Be Rich](#), [The Game in Wall Street](#) and [Trading Cryptocurrencies: A Beginner's Guide](#).*

In November 2018, Chambers won Journalist of the Year in the Business Market Commentary category in the State Street U.K. Institutional Press Awards.



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