

Bitcoin 2022 Price: \$113,972!

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While I'm not in love with price predictions, when I figured out a reasonable 2022 target for **Ethereum (ETH)**, I have to admit I kinda enjoyed it.

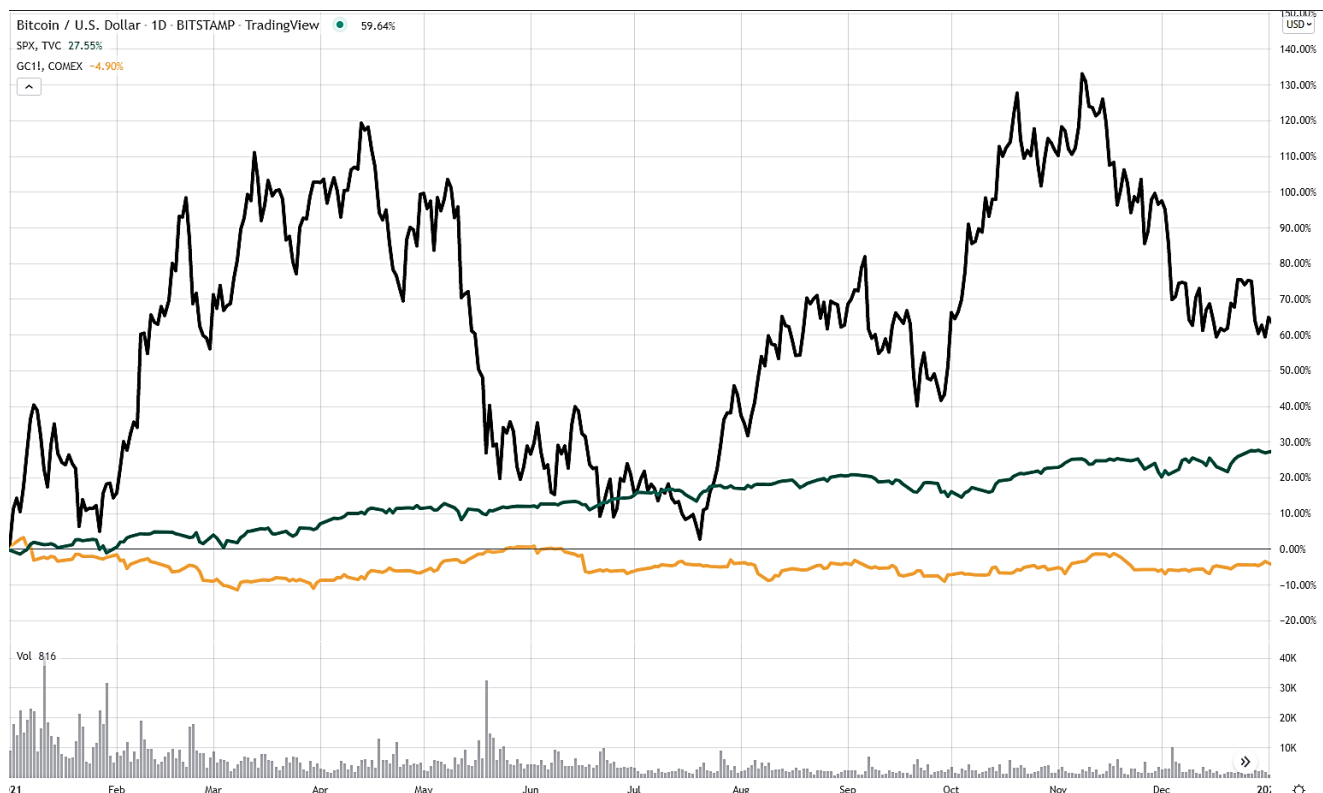
So, I figured, why not kick off our first installment of 2022 with a bold prediction of where we think the price of **Bitcoin (BTC)** is headed over the next 12 months?

For this exercise, we'll ignore the fundamental factors that are in play behind these price movements. Instead, we'll just look at some charts, do a little math, and see where our BTC prediction journey leads us.

So, let's get started!

Bitcoin Outperformed Stocks And Gold Last Year

Before we put pencil to paper and try to come up with a reasonable price target for BTC for 2022, let's take a good look at what happened last year. And as the following chart clearly shows, BTC outperformed the other big boys on the block even more than you might have expected. Here's what I mean.



Source

As you can see from this comparison chart, in 2021, BTC, indicated above by the black line, was up 60%. Meanwhile, the S&P 500, a good proxy for the broader U.S. stock market and indicated here by the green line, was up 28%. And gold, indicated by the gold line, lost 5%

Taken in isolation, Bitcoin's performance was a heck of a feat. But when you compare it to other asset classes, BTC outpaced stocks by a factor of over 2X. And since gold was at a loss, it clearly won the race there, too.

And don't forget: BTC's performance last year was laced with bone-crushing volatility and massive price swings. For the crypto to still outpace the big boys on the block, almost in spite of itself, is a factor that investors should heed as they look forward to 2022.

Crypto Is Just 1/20 The Size Of Stocks

Ok. BTC was able to outperform stocks last year pretty much in spite of itself. So, what kind of a macro upside for crypto are we looking at down the road?

To answer that question, you just need to look at the sheer market size of stocks compared to crypto.



Source Source 2

As you can see from these two charts, the market size of crypto current sits at \$2.2 trillion. Meanwhile, the market cap of all U.S. stocks comes in at \$41 trillion. That's means that crypto is just about 1/20th the size of U.S. stocks.

So, what does that mean? It means that the macro outlook for crypto as an asset class is huge. Even if crypto were to double in market cap size over the course of 2022, it would still be only 1/10th the size of stocks. That's a lot of headroom for crypto to grow.

And with BTC still commanding the lion's share of crypto's market cap as a whole, a doubling of the crypto asset class would likely be passed on to the price of BTC as well.

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In 2021, BTC began the year at \$29,374, and by the end of the year, it was at \$46,306. All told, that translates to a gain of 58%.

If you think BTC will do at least as well in 2022 as it did last year, which is not an unreasonable assumption, then based solely on those factors, you're looking at a BTC price of \$75,345 by the end of 2022. That's a 58% gain from its starting 2022 price of \$47,687.

Why is that 58% not unreasonable? (Sorry for the double negative.) Heck, stocks alone were up 28% in 2021. It's not hard to believe that crypto could match 58% in 2022, given its riskiness and popularity.

But as the above chart of BTC's 2021 performance shows, last year was a wild, wild ride. In fact, BTC hit a 2021 low of \$28,723 at the beginning of the year and a high of \$68,789 in November. The difference between that high and low was a mind-numbing 139%.

If you think the 2022 low for Bitcoin will repeat in January 2022 as it did in 2021 and that it will repeat its 139% gain as well, then you're looking at a 2022 price target of \$113,972 for BTC.

Now, if we add in a long-term trend line and a bit of technical analysis, we're looking at the following 2022 price for BTC:



Source

Back To Earth

I hope you had fun with our little **Bitcoin** price prediction adventure. While this prediction for the 2022 BTC price is just that, a prediction, it can shed some light on where we think Bitcoin is headed in 2022.

Remember, if you're going to invest in crypto, keep it to 1% to 2% of your portfolio.

I also want to wish you and yours a happy and prosperous New Year!

Wayne Burritt

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