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Stock Market Investing Tips, Techniques, and Resources



Cryptocurrency Profit Potential

By: www.ProfitableInvestingTips.com

If you invested in Bitcoin years ago for \$1,000 each, held your investment until early November of 2021 and then sold for more than \$60,000 each you made a really good investment. Of course, you needed to pay taxes on crypto profits but your investment was the stuff that dreams are made of. Although Bitcoin is a primary cryptocurrency it is by no means the only one today. For investors who would like to replicate the Bitcoin success story is there a comparable cryptocurrency profit potential today? Are there other cryptocurrencies that could replicate the Bitcoin success story? What are reasonable expectations for Bitcoin in the coming years?

Have Bitcoin and Other Cryptocurrencies Passed Their Rapid Growth Phase?

Bitcoin is a phenomenal investment success story. Buying Bitcoin when it was first available turned out to be a better deal than buying Microsoft when it went public. Microsoft is worth a thousand times as much per share today but Bitcoin is worth 30,000 times as much or more! Nobody expects Microsoft to exhibit the same rapid growth that it had years ago and no one with any sense expects to see another 30,000 fold increase in Bitcoin's value. When you hear an "analyst" or "expert" on cryptocurrencies saying that Bitcoin will hit \$100,000 by the end of the year remember that these folks are promoting cryptocurrencies and not unbiased observers.

How About Newer and Less Expensive Cryptocurrencies?

The crypto market is volatile whether you are trading Bitcoin, Ethereum, or a newcomer like Bitgert with appears to have use in decentralized finance. This last one was briefly touted as the fastest growing cryptocurrency. A look at its price history shows that the price is all over the board and does not display a reliable upward trend. An argument can be made that choosing a newcomer, getting in early, and then taking your profit is a good way to make money if you are looking for cryptocurrency profit potential. However, this is speculation and not the sort of early stage investment that created Bitcoin billionaires.

What Will US Regulation Do To Crypto Values?

The US is working on how to effectively [regulate digital currencies](#) as well as develop a [US digital currency](#). President Biden recently issued an executive order aimed at having all US regulatory agencies get their ducks in a row so that regulation will be efficient and effective with interagency competition. When these systems are in place one can reasonably expect that cryptocurrencies will be closer to the mainstream as investment products, protected from excessive market manipulation and illegal use. Some of the volatility is likely to disappear but a more stable system will likely bring in more investors and help support prices.

What Functions Will Cryptocurrencies Serve in Years Ahead?

We have written about how cryptocurrencies can be used to purchase NFTs. Another use is in decentralized

finance. That area needs regulation as [borrowing money in cryptocurrencies](#) holds similar risks to the housing market going up to the Financial Crisis. A reasonable expectation is that when regulation is in place that decentralized finance will benefit many who do not now have access to the banking system for loans. However, the odds of any cryptocurrency replicating the Bitcoin success story are remote.

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