

Profitable INVESTING Tips

Stock Market Investing Tips, Techniques, and Resources



What Will a Bitcoin Rebound Look Like?

By: www.ProfitableInvestingTips.com

Folks who have held onto their Bitcoin as the crypto winter got worse and worse have been pleasantly surprised as Bitcoin has jumped up from the \$16,000 range to more than \$20,000. This jump up looks like a reverse of the previous set of downward steps to each new [Bitcoin price plateau](#). Is this the beginning of a Bitcoin rebound and, if so, what will a Bitcoin rebound look like? Bitcoin pretty much tracked with the Nasdaq in recent years but also took a hit each time another disaster like the [FTX bankruptcy](#) befell the crypto world. We are curious as to whether this Bitcoin uptick is for real or just a mirage hovering over the current frozen crypto landscape. What will the Bitcoin rebound look like?

Will the Crypto Recovery Be Quick or Will It Take Years?

As Bitcoin and the rest of the crypto token community plunged lower and lower over the last 14 months, folks (including us) have speculated as to whether Bitcoin will ever totally recover and which crypto exchanges, tokens, [DeFi](#) operations, and the rest will go out of business. *Forbes* looked at this issue a few months ago and speculated that [total Bitcoin recovery](#) will take several years. They note that such a prediction is based on past Bitcoin performance and that such predicting in the current economy and state of the world might well be a “fool’s errand.”

Bitcoin Will Follow the Economy and Not Vice Versa

The gospel according to Bitcoin used to be that this harbinger of a brave new world would protect owners from inflation, be a safe haven for assets in times of political and social unrest as well as war, if one simply held on for dear life (or HODL). Now we see that [long term Bitcoin holders](#) were selling. Bitcoin did not trade independently of other markets but tracked up and down with the Nasdaq except for when there was a crypto disaster at which time the price fell another notch. The fact of the matter is that the USA is heading into a recession. Congress is heading for a fight over raising the debt ceiling which will have [terrible consequences](#) if the US [defaults on its sovereign debt](#). Bitcoin has been shown to follow the economy and markets and vice versa which makes 2023 an iffy year for the premier crypto token.

Crypto Regulation Is Upon Us

The crypto world is young compared to stock markets and the business world at large. With only 15 years in existence, Bitcoin only gained general notice during the 2017 price spike and subsequent collapse. The founding principle of Bitcoin was to have a way to move money around on the internet free from interfering and controlling third parties or government intervention. Unfortunately, Bitcoin and the entire crypto world came to resemble not the Wild West but the world of the [Robber Barons](#) of the 19th century who used unscrupulous means to become immensely wealthy. Recent testimony in bankruptcy hearings for FTX and others has shown us how the chummy upper echelons of the crypto world look more like a backroom chat between the Rockefellers, Vanderbilts, JP Morgan and Andrew Carnegie than an egalitarian enterprise

designed for the benefit of all. Perhaps a better comparison for the likes of FTX is Enron or the [Madoff Ponzi scheme](#). The point is that government regulation is upon us and here to stay. Issues like Bitcoin wash trading are going to be tracked down and dealt with making Bitcoin safer to trade but very likely dampening the amplitude of Bitcoin price swings. Hopefully the [collapse of major crypto exchanges](#) will be avoided if they are properly regulated. This is the backdrop to consider when wondering what a Bitcoin rebound will look like and how far the recovery will go.

Will Interest Rates Even Be Near to Zero Again?

A major driver of the stock market after the Financial Crisis was that interest rates were kept near to zero (and below zero in countries like Japan and Germany) for years. Investors looked to the stock market and then to crypto markets for places to put their money. For the time being inflation is the risk that the US Federal Reserve is fighting with steadily higher interest rates and those higher rates have beaten the stock market and crypto markets down. It is unlikely that we will see such [historically low interest rates](#) again for years, decades, or, perhaps, within the lifetimes of anyone reading this. As such one of the biggest drivers of crypto profits has gone away, perhaps for good. This does not mean that Bitcoin and the rest cannot go up in value but more likely that normal interest rates will act as a brake on the rate of ascent and a limit on the eventual Bitcoin trading range.

For more insights and useful information about investments and investing, visit www.ProfitableInvestingTips.com.

Educational Resources

**Click the links below to get your
FREE training materials.**

Free Weekly Investing Webinars

Don't miss these free training events!

<http://www.profitableinvestingtips.com/free-webinar>

Forex Conspiracy Report

Read every word of this report!

<http://www.forexconspiracyreport.com>

Get 12 Free Japanese Candlestick Videos

Includes training for all 12 major candlestick signals.

<http://www.candlestickforums.com>

Disclaimer: Trading and investing involves significant financial risk and is not suitable for everyone. No content on this document should be considered as financial, trading, or investing advice. All information is intended for educational purposes only.