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Stock Market Investing Tips, Techniques, and Resources



Will Bitcoin Bounce Back?

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After losing more than two-thirds of its dollar value since November 2021 Bitcoin could be paused for a comeback. In the world of stocks, patient investors like Warren Buffett avoid investments when a bull market has driven prices unreasonably high and jump in to pick up bargains when the market is depressed. *Fortune* suggests that [investors are ready to pounce](#) in the Bitcoin world. 137,000 BTC is about to be released into the market from the trustees of Mt. Gox. *Fortune* thinks this will drive Bitcoin higher while *Cryptoslate* thinks it will [drive Bitcoin down even more](#). Will Bitcoin bounce back?

Who Is Still In Bitcoin for the Long Term?

According to [Coin Telegraph](#) long term Bitcoin investors are the ones currently driving price action. These folks are true believers. They either think that more folks will jump back in and drive prices back or they believe that the cryptocurrency world will transition to [crypto for the long term](#) being tied to its usefulness in the worlds of the Metaverse, NFTs, and [decentralized finance](#). When the value of Bitcoin and other cryptocurrencies is tied to their usefulness instead of simply being tools for speculation that will provide a way to assess fundamental value and provide a rational market bottom.

Surge In Stablecoins

In *Fortune's* opinion the future looks bright for stablecoins. Solana, Cardona, and Dogecoin have all inched up recently. There appears to be a lot of money on the sidelines with crypto investors waiting for cues as to where the market goes next. It is of note that these four stablecoins have gone up more than twenty-times in value (\$7 billion to \$147 billion) in just two years. It should be noted that these stablecoins are pegged to the dollar and do not rely solely on algorithms like those that have [crashed](#) recently. Stablecoins are likely to play a major role in the DeFi world as the sort of huge fluctuations to which Bitcoin and others are prone will not cause borrowers that owe significantly more than they borrowed when the market has an unexpected surge. Crypto investors seem to realize this as they have driven dollar-pegged stablecoins up while the broader crypto market has crashed.

Are Stablecoin Holders Just Waiting?

When the economy goes into a recession and the stock market crashes, investors tend to rotate out of growth stocks into value stocks. Then, when the market bottoms out, they rotate back into stocks with growth potential. This could be what is happening in the crypto world. Many long term crypto investors may believe that crypto will have another leg down before it recovers. As such, they are hedging their risk by rotating into stablecoins which can be viewed as the crypto market's version of value stocks, short term bonds, or cash. Any long term crypto investor who wishes to follow this strategy needs to make certain that the stablecoin in question is pegged to the dollar and not dependent on a computer algorithm that attempts to manipulate

trading. Will Bitcoin and others bounce back? The rationale of holding a stablecoin that is pegged to the dollar is that it will end up not to fluctuate as badly as Bitcoin has. And by staying in cryptocurrencies an investor remains able to take advantage of growth in the NFT, Metaverse, and DeFi realms.

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