

2024

Bitcoin: Will the rally continue?

Bitcoin made an impressive turnaround in 2023.

After a very bad year in 2022, the cryptocurrency market experienced a real "revival" that drove Bitcoin up by more than 150 percent. Especially in the fourth quarter, investors returned to Bitcoin & Co. It was also noticeable that Bitcoin was able to increase its market share significantly again – from 38.6 to 51.7 percent. Thus, the most well-known coin remains by far the most significant cryptocurrency. By the way, Solana is just behind XRP in 6th place with a share of nearly 2.1 percent, and given Solana's price dynamics, advancing into the top five seems to be only a matter of time. But back to Bitcoin, which is likely to be driven by a mixture of mostly positive influences in 2024.

Bitcoin dominance

● BTC ● ETH ● USDT ● BNB ● SOL ● Others



Annual Outlook: Bitcoin

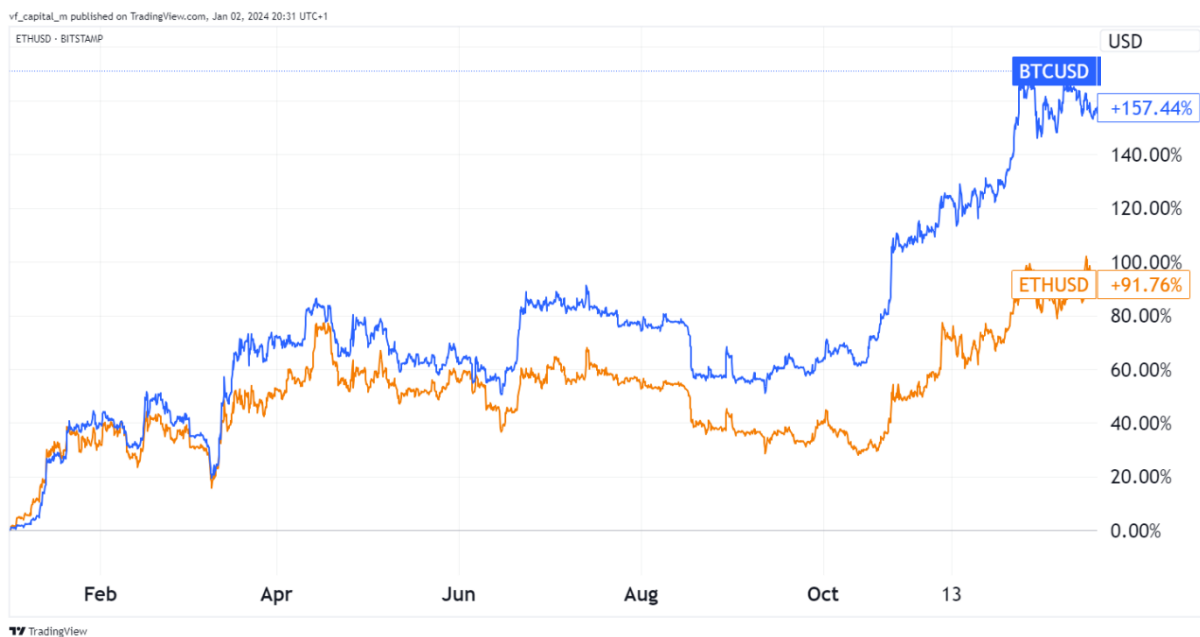
Does the Risk Appetite of Investors Persist?

The first half of 2024 is likely to be dominated by the probable final decision of the US Securities and Exchange Commission (SEC) regarding Blackrock's ETF application. Experts and investors hope for another boost for Bitcoin with a positive decision. However, support from the Bitcoin ETF is not guaranteed, as similar events like the introduction of the first Bitcoin futures on CBOE in 2017 or the first futures-based ETF in 2021 triggered profit-taking. This time, however, things could be different as Bitcoin ETFs based on the spot price would directly buy on the market, which could trigger strong price increases given the limited supply.

Bitcoin Halving in April:

Besides the Bitcoin ETF, there is also another halving, expected to take place in April. Halving is a regular halving of the rewards miners receive for providing their computing power. So far, there have been three halving cycles, all of which have had a similar impact on the price: they have driven the price of Bitcoin. From a statistical point of view, three cycles are far too few to derive a reliable correlation. Nevertheless, halving is an important indicator. Of course, one should not ignore the risks either. A second wave of inflation would certainly be negative for Bitcoin, as it would once again force central banks to raise interest rates. A strong economic downturn would also be a negative factor. Both of these scenarios, however, are rather unlikely from today's perspective. Then there is the famous Black Swan – an unforeseeable or random event that, while also unlikely, is not impossible.

Bitcoin vs Ethereum 2023:



Annual Outlook: Bitcoin

My Conclusion:

Bitcoin has had a very successful year. The hoped-for and expected approval of the Bitcoin ETF and the halving in April could provide a boost, especially in the first half of the year. However, we also remain positive about Bitcoin in the long term.

Bitcoin in USD (10 years):



Bitcoin: Long-term Upward Trend Becomes Visible

Bitcoin is still a relatively new asset class. However, gradually, it becomes increasingly visible in the long-term chart that a long-term upward trend has been established, which, although temporarily interrupted by very large interim price fluctuations, has not been ended.

Positive and Negative Influences on the Bitcoin Price in 2024:

Positive	Negative
<p>Approval of a Bitcoin ETF could further fuel the price.</p> <p>Bitcoin benefits from its image as the largest coin and its global distribution.</p> <p>The Bitcoin price is expected to be further driven by the halving in April.</p> <p>Bitcoin is becoming increasingly easy to trade for more and more investors at an increasing number of brokers.</p>	<p>A surprisingly strong economic downturn could burden Bitcoin.</p> <p>Institutional investors still criticize the inadequate regulation.</p>