



## ***Harry's Take***

February 15, 2022

### **Could Bitcoin Go as Low as \$3,880 Ahead, and Then as High as \$575,000 by 2040?**

Around this time last year, I put out a chart comparing Bitcoin, the leader in today's tech bubble, to Amazon in its first bubble that peaked in early 2000. That chart showed how much Bitcoin could crash and then boom longer term if it continued to follow Amazon's amazing trajectory into its recent peak. But back then, a year ago, Bitcoin had climbed only to around \$42,000. Here's that chart again, updated now with Bitcoin's clear, recent first or "baby bubble" peak after hitting \$68,790, and the chart predicts a bit higher potential end game for Bitcoin (\$500,000 back then) in the next tech bubble ahead.

## If Bitcoin Follows Old Amazon Bubble: Down to \$4K, Then Up to \$575K



Source: Yahoo! Finance

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In that first tech bubble in the 45-year cycle, Amazon rose from \$1.4 in 1997 to \$107 in early 2000, and then crashed to \$6, down 94.4%. The Nasdaq fell similarly, by a whopping 95%. But from there, we saw the much greater and longer second tech bubble, the greatest in history, into November 22, 2021.

If, and that is a big “if,” Bitcoin follows the same trajectory as Amazon in both the baby bubble crash and the daddy bubble to follow, then it could fall to around \$3,880 (down a similar 94.4%) in the next year or two... and then boom into as late as 2040 (or, more likely, 2037 in this scenario) to as high as \$575,000.

But here’s the big “if.” I would wager Bitcoin won’t go into as big of a bubble as the broader economy moves into a longer-term downturn and we move out of this bubble era for stocks and crypto (between 1995 and 2021). That near-\$4,000 downside target is still likely, but maybe the upside will be more like \$300,000 as U.S. stocks see their final, less-bubbly peak longer term into around 2037—as I mentioned, that peak is unlikely to last until as late as 2040, as is projected with the Amazon bubble extension.

But, one way or the other, I am going to be buying Bitcoin and the best surviving cryptos, like Ethereum, if this scenario does largely play out into late 2022 until as late as late 2023 to the downside. Who would argue with potential 75X returns from such a \$4,000 bottom to \$300,000+ in 14 years or so? Crypto will be the leading tech sector in the next global boom from around 2024 into 2037 and, hence, will be a great place to be... but only after the dramatic burst of its baby bubble here. That goes for the broader Nasdaq... and for stocks in the U.S. and globally as well.

Harry

*Got a question or comment? You can reach us at [info@hsdent.com](mailto:info@hsdent.com).*