

Bitcoin recently smashed through the \$100,000 barrier, hitting yet another all-time high. But... is it now simply too expensive? Or could this be the start of something even bigger?

For crypto proponents, this milestone was inevitable—just another step on the road to even greater heights like \$200K, \$500K, or even \$1M and beyond.

Is this rise justified? Skeptics have been calling Bitcoin “overpriced” since its early days, when it traded for just a few dollars, let alone six figures. While there’s no denying \$100K is a big chunk of money, Bitcoin’s price has always reflected what buyers believe it’s worth—driven by expectations of growth and widespread adoption.

So, is it expensive? Ultimately, “expensive” is relative. If those million-dollar predictions hold true, today’s price could seem like a bargain in years to come.

But can Bitcoin really reach those heights? \$1M might sound like madness, but people said the same about \$1K, \$10K, and \$50K. Not long ago, \$100K was supposedly “impossible.” You get the picture. While nothing is guaranteed, Bitcoin’s trajectory has shown a clear trend, and many are betting it’s going to continue.

To determine whether Bitcoin is truly expensive, we need to examine why it’s valued as it is—including what could drive its price higher and the challenges that might hold it back... or even cause its price to drop.

First and foremost is Bitcoin’s limited supply. There will only ever be 21 million coins. This built-in scarcity is a core driver of value, much like gold or rare art. A key factor here is the ‘halving’ cycle, where mining rewards are cut in half every four years. By reducing the number of new coins entering the market, halving creates scarcity that drives demand and pushes prices higher—especially as more people see Bitcoin’s potential as a store of value.

As more people recognize Bitcoin’s potential as a hedge against inflation and economic instability, it’s earned the nickname ‘Digital Gold.’ This has caught the attention of major players—companies, hedge funds, and even governments—further fueling demand as Bitcoin becomes an integral part of corporate and institutional portfolios.

Bitcoin is also increasingly being used as a valuable alternative to fiat currency for transactions. Many businesses now accept, and even sometimes prefer Bitcoin payments—you can use it to book flights, buy gift cards, or even order pizza. Entire nations, like El Salvador, have gone a step further by officially adopting it as legal tender, bolstering its legitimacy on a global scale.

This all contributes to what’s known as the Metcalfe Effect, where the value of a network grows exponentially with each new user. Just like the internet gained value as more people connected to it, Bitcoin becomes more useful and valuable as adoption spreads.

FOMO—or Fear of Missing Out, is another factor that can’t be ignored. This is a psychological phenomenon driven by speculation about future gains, and plays a significant role in trading

behavior. As Bitcoin reaches new highs, people on the sidelines often feel pressured to invest, fearing they'll miss the next big wave. But this rush to buy can be a dangerous thing! Without proper research or planning, irrational or overly risky decisions are inevitable. While FOMO can push prices higher, it can just as quickly contribute to sharp declines when investors sell off for short-term gains.

Finally, we have Macro Trends. Global issues, including economic instability and growing distrust in central banks or governments have inadvertently created a favorable environment for Bitcoin. This has exponentially increased adoption as more people see it as a viable alternative to traditional financial systems. Such rapid growth has led many governments to rush the implementation of regulatory frameworks, which can present challenges. These include stricter trading rules, high taxes, and even outright bans, as seen in countries like China and Egypt, citing concerns over illicit activities and financial stability.

That said, regulation isn't always negative. Some countries have adopted pro-crypto policies aimed at promoting sustainable adoption, including clear tax frameworks and recognizing Bitcoin as legal tender. Improved regulatory clarity legitimizes cryptocurrency while making it more accessible to the public and appealing to institutions.

The market closely monitors these regulatory developments as they have a significant impact on price movements. Positive regulation encourages optimism and investment, while restrictive measures often trigger sell-offs and heighten volatility.

Combined, these factors have greatly contributed to Bitcoin's growth, driving it to the latest all-time high we recently celebrated. So, what's next? What could push Bitcoin to \$200K and beyond—and what are the risks could lead to a decline?

While market dynamics may shift, the same factors that propelled Bitcoin to \$1,000 and every milestone on the way to \$100K will continue to shape its future price—whether it rises or falls. Ultimately, it's up to you to determine what represents fair value. But if institutional activity is anything to go by, major players are clearly betting on further growth. Take MicroStrategy: in December alone, the company acquired approximately 5,262 bitcoins at an average price of \$106,662 per coin, bringing its total holdings to about 444,262 bitcoins.

Such substantial investments significantly influence Bitcoin's price movements and fuel optimism about its long-term potential. Many believe Bitcoin could surpass \$150K in the near term, with \$200K seen as the next major target.

However, like every milestone before, significant dips are likely along the way. The Cryptocurrency market is still relatively new and volatile, where ups and downs are inevitable. Some suggest regulatory hurdles or technological challenges could hinder Bitcoin's growth, or even lead to a decline in the years ahead.

That said, the bigger picture paints a brighter future: every downtrend to date has been followed by periods of recovery and new highs. This is why a long-term, sustainable approach is often recommended—buying and holding, while never investing more than you can afford to lose.

Growth is never guaranteed, but Bitcoin has consistently rebounded from setbacks, and the current environment may be more favorable than ever for setting the foundation to reach new heights, whether that's \$150K, \$200K, or beyond.

Then what about the case for \$1M+? If it happens, Bitcoin's adoption as a store of value by governments and major companies will be a key driver. There will be challenges—and let's face it, other milestones need to come first. But history has shown it's unwise to dismiss Bitcoin's potential... or to call any milestone 'impossible.'

So, back to the question at hand: is Bitcoin truly "expensive?" Some would say yes, simply by looking at the price per-coin. Others see it as a transformative asset still in the early stages of its journey. Whatever your take, its price reflects the collective belief in its potential—and that's what will continue to shape its future.

What that future holds, no one can say for sure. But one thing's certain: it's going to be an exciting ride.