

# Don't believe when someone tells you the value of Bitcoin

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No one can tell you what the price of Bitcoin will be tomorrow, in a month or 10 years. Developers are 'directing' the explosion of virtual money, ads say that you will earn millions of dollars through virtual money or both Satoshi Nakamoto, (the group) who created Bitcoin whose identity is still in mysterious area, no one knows.

See also: [Instructions for digging Bitcoin for beginners](#)

The true value of Bitcoin has become the subject of debate after its price skyrocketed last year, despite problems such as splitting into two separate systems or the ban on virtual currency trading.

This has raised concerns about Bitcoin's future and raises questions, is Bitcoin really worth anything?

Bitcoin does not follow any classification rules. It is not gold, not money and not really stock. But it functions like all of these. It is not encapsulated into any economic theory and if you try to define rigorously in economic terms, you will fail.

For example, there is a theory that money is also a debt, introduced in 1914 by economist Alfred Mitchell-Innes. Accordingly, currency trading is the exchange of sold goods. When the bank makes money, it also creates a debt.

If you look at Bitcoin in that direction, you will find that it is worthless because it only comes from the air. Without any guarantee for it, the new bitcoin has no debt and in this theory, no debt guarantees it. Currency has no value.

## **Bitcoin is . Nobody knows what it really is?**

Although the definition of currency fails, we can assume that definition of Bitcoin is beyond the theory of money creation. It is a payment system, somewhat like PayPal. PayPal is a billion-dollar company. Blockchain technology behind it can be used for many purposes, such as hundreds of companies using Ethereum. Millions of users turn it into a social network, worthless if there are only two users.

A recent Wall Street Journal article described this very well. The value of Bitcoin 'probably not' because it should be used as a currency but people use it as gold (instead of using it) so it is never like a currency.



*Gold used to be a valuable item and a hot topic*

Even if that is true, who says it is the only use value of Bitcoin? Nakamoto's creator called it 'electronic money' but there is no law that says Bitcoin must be this or that. The decentralized system is always changing and it can become something completely different.

The article changes the tone of voice saying that it is possible to see Bitcoin as a global currency, currency for criminals or to store gold equivalent value. Based on how you look, it can be worth 0, \$ 600 or \$ 61,000.

Anyone trying to determine the value of Bitcoin has this problem. Securities companies are quite simple comparisons. The company has revenue and profit. You can calculate the return on your investment and know how much you earned.

Even gold, a commodity whose value is a hot topic for decades, also has some characteristics that help you calculate value. It is used for industry and jewelry making. It also has limited supply and is difficult to make.

With Bitcoin, you have very few methods. Supply is limited to only 21 million bitcoin, but you can say that inflation occurs through alternative virtual currencies such as Bitcoin Cash. You can look at the use of Bitcoin by users and businesses - perhaps the basic platform for Bitcoin valuation - but numbers like 'daily transactions' are hard to convert to dollars. .

See also: Are you curious what inside the vast Bitcoin Iceland digging plant looks like?

You can say that Bitcoin is only beneficial for criminals when looking at the size of the black market. But Bitcoin is not completely anonymous, criminals prefer coins like Monero or Zcash.

And even if you split it, you will always have trouble determining the value of Bitcoin because a system may be larger or smaller than the value of each currency.

You can also use technical measures, see the control panel on trading floors, indicators such as MACD or Bollinger Band, try to decode the transmission messages through tables. Many analysts have done so, but no matter what they say, technical analysis never anticipates real events like China banning Bitcoin trading.

In the long run, you may find different predictions from analysts, experts, from 0 to \$ 100,000 or more. But digging deeper, you'll see no one gets the perfect Bitcoin track.

## When will Bitcoin stop growing?

Those who say Bitcoin will continue to grow until now are still right. Even after discounting, Bitcoin is still worth nearly 400% larger than the beginning of the year. Many people think there will be bubbles, but when does the bubble burst?



### *Bitcoin is not really money*

Chris Beauchamp, a market analyst at IG, thinks it is not related to the current price. 'Bitcoin may be a bubble, but it does not prevent prices from rising. Instead, we need to see a new opponent or virtual money in power that will "break the illusion".

Currently, the value of Bitcoin lies in its potential. It is capable of replacing money that a country, or if you are optimistic, the whole world is using. It can affect the banking industry. It can become a gold-like storage device, easy to trade and easier to trade than gold. These are billion-dollar opportunities and that's why \$ 4,000 for 1 Bitcoin is still cheap. Somewhere in the future, one of the things above, or something completely new, becomes the deadly point of Bitcoin. Otherwise, something better will appear and Bitcoin will be forgotten.

There are many possibilities and when we are still not sure that they are all wrong, Bitcoin still has some value. But anyway, don't believe when someone tries to tell you an accurate number of Bitcoin's value.

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