

Scenario helps Bitcoin reach new ATH

The cryptocurrency market is correcting on a large scale with the majority of tokens in the top 100 in the red, a potential scenario for Bitcoin to increase in price to a new all-time high (ATH) is inflation in the US must slow down.



'If inflation stays at 3.3% or lower, Bitcoin will reach a new all-time high,' 10x Research's Markus Thielen claims before the US Bureau of Labor Statistics (BLS) releases Price Index data consumption (CPI) on June 12.

This represents a decrease of 0.1 percentage points compared to the previous CPI result, which was 3.4% on May 15. Thielen believes that in the two weeks before the May CPI results are released, inflows into spot Bitcoin ETFs will 'remain strong'.

However, if CPI results are stronger than expected, momentum could weaken, as seen earlier this year.

Over the past two weeks, since May 13, inflows into spot Bitcoin ETFs have been quite positive, with the highest total inflow on May 21 at \$305.7 million.

Bitcoin price changes based on CPI fluctuations. Source: 10x Research

Thielen argues that there are no 'random' fluctuations in Bitcoin's price, they all stem from important drivers, with the main driver being inflation.

There have been several instances throughout this year when Bitcoin prices dropped following higher-than-expected CPI results.

On April 10, CPI was announced at 3.5%, only 0.1% higher than expected. Just a few weeks later on April 30, Bitcoin price dropped 6.67% to \$56,000.

Bitcoin is up 7.57% in the past 30 days. Source: CoinMarketCap

Thielen noted that when spot Bitcoin ETFs launched on January 11, although inflows were \$611 million on the first day, the rest of January was disappointing.

Thielen said the main reason was the 'higher' expected CPI data.

'CPI was at 3.4%, higher than the expected 3.2% and higher than the 3.1% recorded in the previous month. It is no coincidence that Bitcoin performed poorly in January and was stronger in March and consolidated for two months'.

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