

# IS IT TIME TO SELL BITCOINS?

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Experts believe crypto industry is here to stay and grow further. They are expecting to see greater demand coming from the retail sector and institutions in the coming years.

At the beginning of 2020, bitcoin was at US \$8000. In December 2020, the bitcoin price started surging again and it crossed US \$ 20,000. The surge continued till this month as bitcoin price crossed US \$ 40,000 for the first time ever. In the past 24 hours, [bitcoin](#) has seen the lows of US \$32,636. "When bitcoin price surged in December 2020, everyone had a fear of missing out on the lucrative returns bitcoin was giving, so there was a huge demand from the institutional and retail investors across the globe, this led to a massive surge in the price of bitcoin," says Shivam Thakral, CEO, BuyUcoin.

"The recent drop from an all-time high of US \$ 42000 is more than expected and should be simply seen as a price correction. This is a healthy pull back which will offer long term price sustainability for [bitcoin](#)," adds Thakral.

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The largest crypto currency in the world has given more than 300% returns in 2020. It attracted many retail and institutional investors. But this correction tempered the mood and investors began to enquire if this price correction should be taken as a trend reversal from hereon. Should you sell Bitcoins given the price fall?

ZebPay's CEO Rahul Pagidipati has predicted that Bitcoin will reach 1 crore by 2030, and according to him, that's a conservative estimate. "Bitcoin is designed to be inflation-proof. It has a fixed supply and no central bank or other entity can print more bitcoins, like they can dollars or rupees. Though it's volatile right now because it's new, Bitcoin will prove to be more inflation-resistant than even gold," he says.

Experts ask to hold the bitcoins for longer term to earn good returns.

"You need to follow the fundamental principles of investing for successful bitcoin trading. Investors who have stayed invested in bitcoin for 2-3 years have made substantial profits from their investments and there is data to prove it. Until and unless you have an urgent expense in front of you, it is advisable to hold bitcoin for the long term in order to generate maximum value from your investment portfolio," says Thakral.

Experts believe crypto industry is here to stay and grow further. They expect to see greater demand coming from the retail sector in the coming years. Institutions are expected to position Bitcoin as one of the primary investment assets in Users' portfolios.

"In the recent past, we have seen many payment rails/gateways like PayPal, Square integrating cryptocurrencies into their services. The key lure is the sheer demand that is being witnessed in the cryptoindustry. NBFC units, such as Insurance giants like Massmutal have now made an entry with investments in Bitcoin. JP Morgan Chase suggests that the popularity of Bitcoin may match up to that of more traditional commodities, such as gold as per a research note shared with its clients," says Sumit Gupta , CEO & CO-Founder, CoinDCX.

In order to safeguard against volatility, experts suggest to invest a small amount consistently just like SIP in a mutual fund.

"The best way to safeguard against volatility is to invest a small amount consistently—what we call rupee cost averaging—so that the average price that you invest is the best possible price you can get over time. Think of it like a Bitcoin SIP.

The evidence is in the numbers: Despite the dips, if you held bitcoin longer than 3-and-a-half years during any period up to now, you had a 99.9% chance of making a profit. Past performance doesn't predict the future, of course, but that kind of long-term trend is almost never seen in any asset class," says Vikram Rangala, CMO, ZebPay, below.

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