

The promising future of BitCoins as Gold

The price of BitCoins has already stabilized above \$100, putting the currency closer to Gold – than a convenient currency optimized for trade. A major obstacle for adoption among businesses is the perceived volatility.

When operating a business, you care more about predictability to avoid bankruptcy, even though BitCoins are expected to appreciate in value going forward. A realistic appreciation target for BitCoins is the value of Gold, with the floor being the value of Oil. While Gold is still being mined of massive quantity in North America and Africa, the supply of BitCoins is programmed to decrease over time – before eventually stopping at 21 million. Current volume is at 11 million.

As this is known already, we might see BitCoins within a few years exceed the value of Gold – and when that happens, sky is the limit. As FED has engaged in unlimited printing of dollars, combined with a government struggling with deficit – the dollar is expected to decrease in value, compared with other assets. As BitCoins value is measured in dollars, a decrease in dollars' value will just boost the value of BitCoins. This double benefit to buying BitCoins has already put it in the category of being an inflation hedge, similar to real estate and oil – so investors are expected to include BitCoins as part of their diversified portfolio. Which has already started with the Winklevoss brothers having already acquired 1% of all BitCoins, marking the beginning of trillions of dollars shifting its way into BitCoins. BitCoins has grown up to get their own conference, attracting thousands of stakeholders to learn from each other over 3 days – starting next weekend:

www.BitCoin2013.com

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