



# Investment in Bitcoin and cryptocurrencies: Myths and Reality



## **1. Cryptocurrencies have no value**

Detractors of digital currencies often say that they have no intrinsic value and are not backed by another currency or precious metal. But the truth is that they are exchanged daily and are used as an established currency, so they clearly have a real value determined by the market. The important thing is that you can inform yourself and evaluate what to invest in before making a decision.

## **2. Using Cryptocurrency to launder money is against the law.**

They are a currency that although it is not regulated in many countries, it is legal. It is estimated that they are unlikely to be used to launder large amounts of money, as cash remains a favorite of criminals.

In addition, platforms to invest in cryptocurrencies are regulated in many countries and operate under regulations aimed at avoiding this crime.

## **3. Cryptocurrencies can be easily counterfeited**

Due to the way [blockchain technology](#) works and the way cryptocurrencies operate, it is nearly impossible to repeat transactions or create fake coins. From this vantage point, purchasing bitcoin is secure.

#### **4. Bitcoin is a Ponzi or pyramid scheme**

Cryptocurrency is a technology that serves as a superior store of value or as a secure and uncensored transfer protocol. In Satoshi Nakamoto's original Bitcoin proposal, there is never any talk of any return on investment when trading the digital currency. They are just virtual currencies, not business models.

#### **5. Investing in Bitcoin and other cryptocurrencies is a bad business**

According to the BBC, in January 2009 Bitcoin had a value of less than one dollar, in 2017 it was close to US \$20,000, the following year it fell to US \$3,200, in 2019 it rose to US \$13,800 and in January 2020 it was around \$9,000. Bitcoin has a high volatility due to different factors, but it shows a very high profitability since its creation. In that sense, they can become a business if you feel comfortable taking risks; the key is that you do the proper market analysis and carefully study the behavior of the Cryptocurrency.

#### **6. Platforms to invest in cryptocurrencies steal from their users**

You have to operate on reputable platforms that offer you guarantees and good support. That way it is safe to invest in Bitcoin and other cryptocurrencies.

[Cryptocurrencies](#) may one day replace cash and credit cards, but for now, all existing digital currencies are considered to be worth only a small percentage of the world's physical money. What you can aim for is to invest in Bitcoin as a form of diversification or to generate capital gain both in the long and short term.

Remember to investigate your options very well and consider various investment strategies, either for times of uncertainty or economic stability.