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CRYPTOCURRENCY BITCOIN

Bitcoin's Price History

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Part of the Series
Bitcoin Price Guide



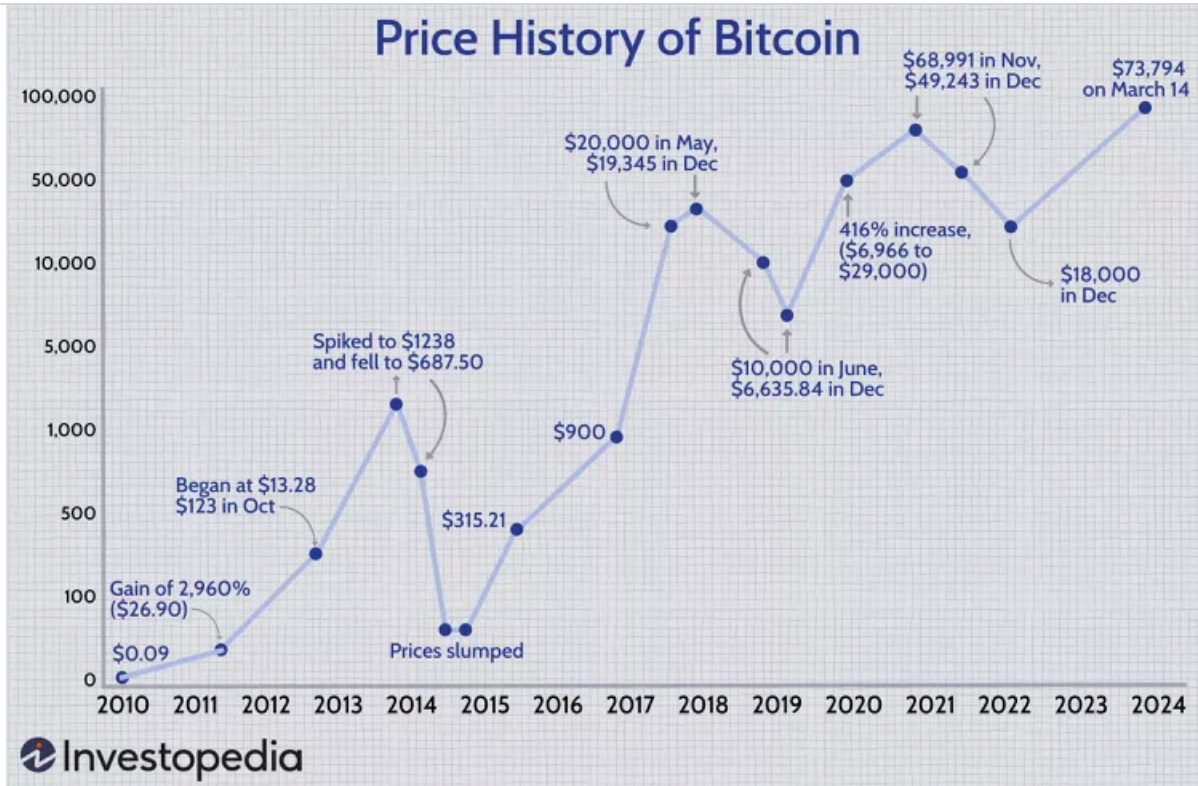
Among asset classes, Bitcoin has had one of the more volatile trading histories. The cryptocurrency's first significant price increase occurred in October 2010 when the value of a single bitcoin started moving past its long flat price of less than \$0.10. ^[1]

The [cryptocurrency](#) has undergone several rallies and crashes since it became available. This article offers insight into Bitcoin's volatility and some reasons why its price acts the way it does.

KEY TAKEAWAYS

- Since it was first introduced, Bitcoin has had a choppy and volatile trading history.
- Bitcoin was designed to be used as currency in daily transactions.
- While Bitcoin is a cryptocurrency, investors have also used it to store value and to hedge against inflation and market uncertainty.

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Bitcoin's Price History

The price changes for Bitcoin generally reflect investor enthusiasm, demand, and supply. [Satoshi Nakamoto](#), the anonymous Bitcoin inventor(s), designed it for use in daily transactions—but it has become far more than a payment method.

It attracted traders who began to bet on its price changes. Investors turned to Bitcoin as a way to store value, generate wealth, and hedge against inflation, and institutions worked to create Bitcoin investment instruments.

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Bitcoin's [price fluctuations](#) primarily stem from investors and traders hoping for an ever-increasing price in anticipation of riches. If you're thinking of investing in Bitcoin, be sure to research the [best cryptocurrency exchanges and apps](#) first.



Here's a quick rundown of Bitcoin's price history:

2009–2015

Bitcoin had a price of zero when it was introduced in 2009. Its price jumped from its long-held level of \$0.10 to \$0.20 on Oct. 26, 2010. Before the year had closed out, it had reached \$0.30. In 2011, it started growing past \$1, reaching a peak of \$29.60 on June 8, 2011; however, a sharp recession in cryptocurrency markets followed, and [Bitcoin's](#) price dropped, closing out the year at about \$5. [\[2\]](#)

The year 2012 proved to be a generally uneventful year for Bitcoin, though it did increase by a few dollars; however, 2013 witnessed strong gains in price. Bitcoin began the year trading at \$13, crossed \$100 by April, then \$200 by October.

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2016–2020

Prices slowly climbed through 2016 to over \$900 by the end of the year. In 2017, Bitcoin's price hovered around \$1,000 until it broke \$2,000 in mid-May and then skyrocketed to close at \$19,188 on Dec. 16. ^[2]

Mainstream investors, governments, economists, and scientists took notice, and other entities began developing cryptocurrencies to compete with Bitcoin.

Bitcoin's price moved sideways in 2018 and 2019, with small bursts of activity. For example, there was a resurgence in price and trading volume in June 2019, with the price surpassing \$10,000. However, it fell to a closing price of \$6,612 by mid-December.

In 2020, the economy shut down due to the [COVID-19 pandemic](#). Bitcoin's price burst into action once again. The cryptocurrency opened the year at \$7,161. The pandemic shutdown and subsequent government policies fed investors' fears about the global economy and accelerated Bitcoin's rise.

At the close on Nov. 23, Bitcoin was trading for \$18,383. Bitcoin's price closed at \$28,993 on Dec. 31, 2020, increasing 416% from the start of that year.

2021–2023

Bitcoin took less than a month in 2021 to smash its 2020 price record, surpassing \$40,000 by Jan. 7, 2021. By mid-April, Bitcoin prices reached new all-time highs of over \$60,000 as [Coinbase](#), a cryptocurrency exchange, went public. Institutional interest propelled its price further upward, and Bitcoin reached a peak of \$64,895 on April 14, 2021. ^[2]

By the summer of 2021, prices were down by 50%, closing at \$30,829 on July 19. September saw another bull run, with prices scraping \$52,956, but a large [drawdown](#) took it to a closing price of \$40,597 about two weeks later. ^[2]

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of a new variant of COVID-19, Omicron, continued to spook investors.

Between January and May 2022, Bitcoin's price continued to gradually decline, with closing prices only reaching \$47,459 by the end of March before falling further to \$29,000 on May 11. This was the first time since July 2021 that Bitcoin closed under \$30,000. On June 13, crypto prices plunged. Bitcoin dropped below \$23,000 for the first time since Dec. 2020. Bitcoin then dropped below \$20,000 by the end of 2022. ^[3]

Fortunes changed for Bitcoin in 2023, which saw a stellar rise in the price of the cryptocurrency. Bitcoin opened 2023 at a price of \$16,530. It rose consistently throughout 2023, ending the year at \$42,258. ^[2]

FAST FACT

Interestingly, Bitcoin's price trends appeared to mimic those of the stock market from Nov. 2021 through June 2022, suggesting that the market was treating it like a stock. It similarly followed this trend through most of 2023 and 2024. ^[2]

2024

In January 2024, the long fight for Bitcoin Spot ETFs came to a close after the SEC was forced by courts to review its denial of certain Bitcoin-related investment products. Some brokerages swarmed the market and increased their holdings, while others, like Grayscale's Bitcoin Trust (GBTC), experienced significant outflows at the onset.

The outflows from certain funds slowed going into March, settling the market somewhat. The marketwide rebalancing was likely because there were suddenly more options for investors to choose from.

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records, reaching \$75,050 by mid-day on EXMO, a cryptocurrency exchange in Poland. ^[2]

What Affects Bitcoin's Price?

Supply and Demand

Like other currencies, products, or services within a country or economy, Bitcoin and other cryptocurrency prices depend on perceived value, supply, and demand. If people believe that Bitcoin is worth a specific amount, they will buy it, especially if they think it will increase in value.

By design, only 21 million Bitcoins will ever be created. The closer Bitcoin gets to its limit, the higher its price should be (as long as other factors remain the same). This limit is intended to keep increasing the value of Bitcoin over time as new coins become more and more scarce, which should increase demand.

Bitcoins are created by [mining software](#) and hardware at a specified rate. This rate splits in [half every four years](#), slowing down the number of coins created. The last halving occurred on April 19, 2024. If events unfold the same way they have in the past, Bitcoin's price will rise again; however, there is no guarantee that it will react the same.

Bitcoin's price should continue to rise as long as it continues to grow in popularity and its supply cannot meet demand. However, if popularity wanes and demand falls, there will be more supply than demand. Then, Bitcoin's price should drop unless it maintains its value for other reasons.

New Bitcoin Securities

Another factor that affects Bitcoin's price also relates to the supply and demand of related securities. Bitcoin became a financial instrument that investors and financial institutions used to store value and generate returns. As a result, derivatives have been created and traded by investors. This also influences Bitcoin's price.

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As witnessed after the SEC approved Spot Bitcoin ETFs, regulatory activity causes market participants to take action. As new Bitcoin securities hit the market, Bitcoin's price will adjust due to any changes in the supply of and demand for more products.

Bitcoin ETFs

In January of 2024, the U.S. Securities and Exchange Commission authorized U.S. exchange-traded products to buy and hold bitcoin directly on behalf of their investors.^[4] Before that date, ETFs were only permitted to gain indirect exposure to bitcoin through futures contracts. As of May 2024, there are 34 bitcoin spot ETFs, with combined assets exceeding \$60 billion.^[5]

Cryptocurrency Competition

Other cryptocurrencies may also affect Bitcoin's price. There are [several cryptocurrencies](#), and the number continues to rise as regulators, institutions, and merchants address concerns and adopt them as acceptable forms of payment and currency.

Lastly, if consumers and investors believe that other coins will prove to be more valuable than Bitcoin, demand will fall, taking prices with it. Or, demand will rise along with prices if sentiment and trading move in the opposite direction.

Is Bitcoin a Good Investment?

Bitcoin is a cryptocurrency designed to be used as a payment method. Investors and traders also began using it as an investment, but its price is very volatile. This creates a significant amount of financial risk. It is best to talk to a professional financial advisor about your circumstances and goals before buying Bitcoin as an investment.

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What Was Bitcoin's Cheapest Price?

Bitcoin began trading at \$.06 in July 2010. ^[3]

How Long Does It Take to Mine One Bitcoin?

The average time to open a new block and receive the reward, by design, is 10 minutes, and each block comes with a reward of 3.125 BTC. The reward for each bitcoin block will halve again in 2028. ^[6]

The Bottom Line

Bitcoin has seen its share of volatile prices. If past and recent events and prices are any indication, it will continue demonstrating volatility as long as there is demand for it as an investment asset.

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