

Bitcoin soars past \$40,000 for the first time

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The price of the cryptocurrency bitcoin soared past \$40,000 for the first time on Thursday, rising \$10,000 in just five days.

The price of [bitcoin](#) was \$40,380 at roughly 1820 GMT, having jumped 10.4 percent during the trading session.

It later lost some ground and Factset data valued it at \$38,950 dollars, up 6.52 percent on the day, at 1850 GMT.

The [cryptocurrency](#), which has known wild swings in value, passed \$30,000 for the first time just on Saturday.

"Investors continue to hop on the cryptocurrency train which appears to be gaining more interest now that the US economy is poised to deliver more stimulus in Biden's first 100 days," said market analyst Edward Moya at currency trading platform Oanda.

But its latest meteoric rise is already fuelling talk of a new correction.

Fellow Oanda analyst Craig Erlam warned that even if a correction does not seem imminent, once one emerges "it's going to hurt".

And one European analyst who wished to remain anonymous told AFP that "it's starting to get worrying—it's no longer at all the market of a few weeks back—a correction is inevitable."

Others, at Societe Generale, said if a large fall does materialise people will likely look back at "bitcoin's pandemic bubble."

Just 12 years old, bitcoin has seen a meteoric rise since March, when it stood at \$5,000, spurred by online payments giant PayPal saying it would enable account holders to use cryptocurrency.

After PayPal's announcement in October, analysts at investment banking giant JPMorgan Chase compared the cryptocurrency to gold—and this week predicted the unit could rise to \$146,000, if not higher.

"Bitcoin could compete more intensely with gold as an 'alternative' currency over the coming years given that millennials will become over time a more important component of investors' universe," they said.

A number of central banks have meanwhile responded to the rise of cryptocurrencies and the dwindling global use of cash by announcing plans for bank-backed digital units.

Several central banks including those of China and Sweden—but also the US Federal Reserve—are also testing digital applications in response to Facebook's recent moves to produce its own digital unit, Libra.

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Debate has meanwhile raged over the status of the digital asset, launched in late 2008, as to whether it should be seen as a form of money, an asset or a commodity.

After the unit—worth a handful of cents in late 2008—surpassed \$1,000 for the first time in 2013, it increasingly began to attract the attention of financial institutions and has experienced wild price swings.

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