

Bitcoin sinks and approaches \$30,000

June 8 2021



The value of bitcoin has fallen by over 50 percent since hitting a peak of \$64,870 in mid-April.

The price of bitcoin fell sharply on Tuesday, approaching a symbolic \$30,000 threshold it has not crossed since January and dragging other cryptocurrencies in its wake.

At around 15:45 GMT, [bitcoin](#) fell 8.6 percent to a value of \$31,501, a level not seen since mid-May, when the volatile [cryptocurrency](#) temporarily lost 30 percent in one session.

The second-largest cryptocurrency, ethereum, lost 11.2 percent of its value, falling to \$2,361.

"Numbers that should be staggering for a single day's performance are no longer a shock to those of us invested in the crypto universe," Hugh Shields, an analyst at SpreadEx.com said, calling the market an "anomaly".

No concrete reason appeared to explain the price drop on Tuesday, but some analysts pointed to the seizure of \$2.3 million worth of bitcoin belonging to the Darkside hackers by US authorities as a possible factor.

Former US president Donald Trump also called bitcoin a "scam" that was "competing with the dollar" during an appearance on Fox Business television.

"Moves by governments around the world to regulate the crypto space... are causing waves of concern," analysts at Hargreaves Lansdown said.

Since the end of 2020, the price of bitcoin had been boosted by the interest of professional investors, from investment funds to large Wall Street banks. The electric vehicle manufacturer Tesla has also invested some of its cash in it.

Between the beginning of last year and a peak in mid-April of \$64,870, the price of bitcoin gained nearly 800 percent. But since then, the cryptocurrency has fallen in value by more than 50 percent.

The volatility is worrying some investors. The British fund Ruffer,

which has a reputation for prudence, caused a stir when it invested in bitcoin in November.

But the fund said on Monday it had divested itself of its cryptocurrencies, pocketing \$1.1 billion in profit in the process.

"Something like dogecoin is still valued at \$40bn" Duncan McInnes, an investment director told the FT over the decision to sell.

Dogecoin, which was created as a parody cryptocurrency but is often promoted by billionaire Tesla boss Elon Musk, has had an even more turbulent year than bitcoin. Its price rose from less than a dime in January to nearly 70 cents in May. It is currently trading at around 31 cents.

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