

Bitcoin prices have doubled this year and potentially new ways to invest may drive prices higher

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Bitcoin is for sale at an Automated Teller Machine at the Westfield Garden State Plaza shopping mall in Paramus, New Jersey, on March 13, 2023. The world's largest cryptocurrency soared to almost \$35,000 this week, marking its highest value in nearly 18 months. Credit: AP Photo/Ted Shaffrey, File

Bitcoin is having another moment. The world's largest cryptocurrency soared to almost \$35,000 this week, marking its highest point in nearly 18 months—and more than double the price seen at the start of 2023.

The cryptocurrency rocketed from just over \$5,000 each during the start of the pandemic to nearly \$68,000 in November 2021, according to FactSet, during an era of massive tech growth. Prices came back down to earth during an aggressive series of rate hikes from the Federal Reserve as it battled inflation, and then the collapse of one of the biggest companies in [crypto](#), FTX.

When 2023 began, a single bitcoin could be had for less than \$17,000 after losing more than 75% of its value. Investors, however, began returning in large numbers this year as inflation started to cool. And the collapse of prominent tech-focused banks actually led more investors to turn to crypto as they bailed out of positions in Silicon Valley start-ups and other more risky bets.

Now, bitcoin is getting another boost on the prospects of creating a much larger pool of investors. Industry advocates say a new way to invest in bitcoin at spot prices, instead of futures, could make it easier for anyone to enter the cryptoverse while lowering some of the well-documented risks associated with investing in cryptocurrencies.

There's rising optimism about the possibility of bitcoin exchange-traded funds—a pooled investment security that can be bought and sold like stocks—potentially being launched.

A green light from [federal regulators](#) hasn't arrived yet, but recent wins for some crypto fund managers with applications for bitcoin spot ETFs have improved odds for approval, perhaps in the coming months.

The District of Columbia Court of Appeals recently ordered the

Securities and Exchange Commission to reconsider the ETF for Grayscale's bitcoin fund, for example, after the company sued the regulator last year for rejecting its application over concerns about investor protections and other issues. The SEC did not appeal the decision.

Edward Moya, a senior market analyst at Oanda, also points to the listing of BlackRock's iShares Bitcoin Trust by the Depository Trust and Clearing Corporation, which clears market trades, gaining attention [online](#) Monday. That may have contributed to this week's Bitcoin surge, he said.



An advertisement for Bitcoin cryptocurrency is displayed on a street in Hong Kong, Thursday, Feb. 17, 2022. The world's largest cryptocurrency soared to almost \$35,000 this week, marking its highest value in nearly 18 months. Credit:

AP Photo/Kin Cheung, File

iShares Bitcoin Trust appeared to be temporarily removed Tuesday, but was back online as of Wednesday. In a statement to The Associated Press, a DTCC spokesperson noted that both active and potential ETF securities appear on this list. iShares was added back in August, the spokesperson said.

Social media chatter, as well as misinformation, can make notable impacts on crypto trading, Moya and others note. Kaiko Research points to a brief spike in the price of bitcoin last week, for example, after crypto news outlet Cointelegraph [erroneously posted](#) about the SEC approving iShares' spot bitcoin ETF on X, the platform formerly known as Twitter. That post was soon retracted.

Still, the most recent surge bitcoin goes beyond single developments or participants, Kaiko research analyst Riyadh Carey notes—crediting "more of a broad market rally" around spot bitcoin ETF prospects.

Despite the recent excitement around bitcoin, crypto is still a risky bet. Experts like Moya call it "the most volatile asset class," pointing to wildly unpredictable fluctuations in value. In short, investors can lose money as quickly as they make it.

The collapse of crypto exchange giant FTX also "left a big scar" on the public's confidence in the crypto industry and crushed retail investors, Moya said—noting that institutional money, like hedge funds, are behind the bulk of crypto investing today.

"We're still seeing interest is coming back into the space, but it's not the same as it was before," he said, adding that he's watching how future

regulation unfolds.

And a lot is uncertain. While the price of bitcoin—as well as the stocks of crypto players like Coinbase and MicroStrategy—has risen amid prospects of spot ETF approval, it's not clear if it will stay that way. A regulatory [green light](#) doesn't promise continued gains.

"(In the case of approval), are we going to see sustained interest? Are we going to see the trading volumes with this ETF? If it disappoints, then bitcoin's going to struggle," Moya said. "I might be more short-term bullish until we get the actual confirmation."

As of around 12:30 p.m. ET Wednesday, the price of [bitcoin](#) stood at \$34,789.

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