

Bitcoin tops \$60,000, approaches all-time high

February 28 2024, by Roland Jackson in London and Matthew Surrusco in Hong Kong



Bitcoin is climbing toward its all-time high of \$68,991.

Bitcoin passed the \$60,000 mark on Wednesday, approaching its all-time high and continuing its unbridled rise since the approval of a new type of investment indexed to the cryptocurrency.

At 1325 GMT, [bitcoin](#) traded at about \$60,301, closing in on its all-time high of \$68,991—that was struck in November 2021 and which some analysts believe is now within reach.

Since their approval on January 10 by US securities regulators, exchange-traded funds (ETFs) indexed to bitcoin have theoretically enabled a wider public to invest in the cryptocurrency without having to hold it directly. The funds themselves, however, do invest in the digital currency.

The expected approval of the new investment product had contributed in recent months to a rise in its price, which had largely fallen by the end of 2022 following the bankruptcy of several crypto giants.

The US launch of ETFs or ETPs (exchange-traded products) has "injected a fresh wave of optimism, propelling trading volumes and spotlighting crypto-linked firms", notes Mikkel Morch of specialist fund ARK36.

The instruments are comparable to stocks or [mutual funds](#) as far as accessibility to everyday investors.

Some investors eager to recoup their bets had initially triggered a wave of mass withdrawals from the GBTC (Grayscale Bitcoin Trust) fund, once it had been converted into an ETF.

But once the selling fever subsided, flows into US bitcoin ETFs, such as that of [asset management](#) giant BlackRock, increased.

Exchange-listed cryptoasset-linked investment products have attracted around \$5.7 billion since the start of the year, according to calculations by asset manager CoinShares published on Monday.

'Institutional endorsement'

As further evidence of "the growing institutional endorsement that's fueling this rally" in prices, Morch said, software company MicroStrategy announced on Monday that it had purchased a further 3,000 bitcoins (then worth \$155 million).

The transaction brought its total bitcoin holdings to 193,000 bitcoins (about \$6.09 billion).

Bitcoin is created—or "mined"—as a reward when powerful computers solve complex problems to validate transactions made on the blockchain.

James Harte, an analyst from Tickmill, notes that prices are also buoyed as major industry players invest in bitcoin ahead of the "halving"—or the dividing in two of reward for the token's miners.

The event, which occurs about every four years, is next due in April.

It is expected to slow the speed at which new bitcoins enter the market, reducing the cryptocurrency's potential availability for purchase, which should boost its value.

"As the issuance of new bitcoin slows down, the existing scarcity of the digital asset becomes even more pronounced, typically leading to increased demand and, subsequently, higher prices," noted Nigel Green, head of financial advisory firm deVere Group.

He added, "Cryptocurrencies remain highly speculative, but the

enormous interest in spot ETFs and the upcoming halving event... can be expected to continue to fuel the current momentum which could lead bitcoin to surpass the \$69,000 mark."

The virtual unit has also been partly boosted by hopes that the US Federal Reserve will start to cut interest rates this year as inflation eases.

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Citation: Bitcoin tops \$60,000, approaches all-time high (2024, February 28) retrieved 29 April 2024 from <https://techxplore.com/news/2024-02-bitcoin-tops-approaches-high.html>

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