

Bitcoin breaks \$50,000 for first time since 2021

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Bitcoin has broken \$50,000 but is still well off its record high of nearly \$69,000 seen in 2020.

Bitcoin spiked above \$50,000 Tuesday for the first time in more than two years as investors grow optimistic that US approval of broader

trading in the unit will ramp up demand.

The cryptocurrency has enjoyed a strong run in recent months, fueled by expectations US lawmakers would allow the creation of exchange-traded funds (ETFs) that track the price and let the public invest in crypto without directly purchasing it.

After initially dropping in reaction to last month's green light by Washington, bitcoin has rallied about 25 percent since January 22.

That advance saw it hit as much as \$50,328, according to Bloomberg data, its highest level since late 2021.

And observers were optimistic about the outlook.

"Enthusiast buyers bring in more enthusiast buyers pushing prices further up," Fadi Aboualfa, of Copper Technologies, said.

"The cryptocurrency has momentum on the back of several green weeks and has a large chance of going up further when markets see weekly movements upwards of 10 percent (as we saw last week)."

By 0330 GMT Tuesday, bitcoin had dropped slightly, to \$49,950.

The currency remains well below its record value of almost \$69,000 in 2020, but the rally marks a recovery following a series of high-profile scandals and collapses that rocked the crypto industry.

FTX, the world's second-biggest crypto exchange, dramatically went under last year, and its boss Sam Bankman-Fried faces up to 110 years in prison for what prosecutors described as "one of the biggest financial frauds in American history".

And in November, Changpeng "CZ" Zhao stepped down as CEO of Binance—the world's biggest crypto exchange—after he and the company pleaded guilty to sweeping money laundering violations.

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

The asset's value has been driven by the supply crunch expected next year because of an event called "halving".

Bitcoin is created—or "mined"—as a reward when powerful computers solve complex problems.

But the amount of bitcoin is limited and every four years, the reward is halved. The next "halving" is due in April.

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