

Bitcoin zooms to record beyond \$72,000

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Bitcoin won further support Monday after Britain's Financial Conduct Authority watchdog said it would join US regulators by allowing the creation of crypto-related securities.

Bitcoin raced to an all-time peak above \$72,000 Monday as the world's most popular cryptocurrency won further support on greater trading accessibility and dollar weakness.

The virtual unit struck \$72,717 as dealers also eyed an upcoming industry event that traditionally boosts its price by restricting supply.

Monday's spurt extended last week's record-breaking run when the currency bulldozed its way past the previous November 2021 pinnacle of \$68,991.

Bitcoin won further support Monday after Britain's Financial Conduct Authority watchdog said it would join US regulators by allowing the creation of crypto-related securities.

US authorities earlier this year gave the green light to exchange-traded funds (ETFs) pegged to bitcoin's spot price, making it easier for mainstream investors to add the unit to their portfolio.

Crypto 'going mainstream'

"This (FCA statement) suggests that crypto is going mainstream, and not just bitcoin but also other established coins," XTB analyst Kathleen Brooks told AFP.

"We know that the demand is there, and this comes on the back of \$10 billion of inflows into bitcoin ETFs in the United States."

ETFs are widely regarded by commentators as proof of burgeoning crypto interest from institutional investors, further buoying investor enthusiasm.

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

But the reward given to bitcoin "miners"â€"those who contribute to the creation of the blockchain by validating transactionsâ€"is about to be divided by two.

Next month's so-called "halving" has lent strong support to the unit's price in recent days and weeks by tightening supplies.

"Bitcoin has surged to a fresh all time high, boosted by strong ETF inflows and ahead of the April halving event," said City Index analyst Fiona Cincotta.

"The crypto market has skyrocketed 350 percent from its 2022 low and shows little sign of stopping after the doors have been opened to institutional investors and as retail investors experience FOMO," she said in reference to a "fear of missing out".

Cincotta predicted that \$100,000 could become "the next natural target" but sounded a note of caution.

"Bitcoin is extremely volatile and could drop just as quickly as it has risen," she warned.

Who created bitcoin?

Momentum came also from the weaker dollar as Friday's US jobs data firmed expectations that the Federal Reserve remained on track to start cutting interest rates in June.

At its current price, bitcoin has soared almost 70 percent since January,

when it stood at about \$43,000.

However, it slumped to \$15,000 in November 2022 following the collapse of crypto exchange FTX.

The digital currency has a finite number of units. Bitcoin's creator Satoshi Nakamoto has limited the maximum number of bitcoins to 21 million.

An ongoing court case in London is seeking to determine whether Australian computer scientist Craig Wright invented bitcoin.

Wright says that he is Nakamoto, author of a white paper that introduced the cryptocurrency to the world in 2008.

Crypto Open Patent Alliance (COPA), a non-profit organization set up to keep cryptocurrency technology free from patents, is suing Wright over the claims.

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