

Bitcoin's rollercoaster ride

16 December 2020



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Virtual currency bitcoin—which broke the \$20,000 barrier in trading for the first time Wednesday—morphed from an academic paper to one of the world's most closely-watched crypto currencies.

Here is a look at its tumultuous rise, fall and rise again.

Mysterious beginnings

As the world reels from the 2008 financial crash, a nine-page paper called "Bitcoin: A Peer-to-Peer Electronic Cash System" is published on October 31 by someone called Satoshi Nakamoto.

The mysterious Nakamoto—whose real identity still remains a mystery—proposes creating a system where payments can be sent "directly from one party to another without going through a financial institution".

It is a master plan for an alternative to [currency](#) not controlled by any central bank and that could be accessed by anyone.

'Genesis block'

The first 50 bitcoins were born on January 3, 2009.

These were bunched into a single unit called a block, the first of which was called the "genesis block".

From then on, every new block was attached to the one that came before it, creating what is today commonly known as a block chain.

The first transaction between two accounts occurred nine days later, when Satoshi Nakamoto sent 10 bitcoins to computer scientist Hal Finney as a test.

0.00076 dollars

Bitcoin's first value was deduced on October 5, 2009 from its cost of production—.076 US cents.

At the time, the best way to get bitcoins was to "mine" them by using computers to solve difficult puzzles that release bitcoins from a block.

The electricity costs were offset by [bitcoin's](#) real-world value.

The puzzles get more difficult with the rise in the number of users, making their mining progressively more expensive.

The \$100 million pizza

On May 22, 2010, a virtual currency developer in Florida got a delivery man to accept 10,000 bitcoins for two pizzas.

It was the first known bitcoin payment, worth about \$41 at the time. Those bitcoins are now worth in excess of \$200 million.

May 22 is now known as "Bitcoin Pizza Day".

Nakamoto vanishes

Nakamoto announced his withdrawal from the

project on December 12, 2010, ceasing all bitcoin operations four months later.

The identity and number of bitcoins owned by Nakamoto remains a mystery.

Nakamoto briefly reappeared in an internet chat room in 2014, denying a Newsweek magazine article that claimed to unmask his identity.

Bankruptcy

After malfunctioning for over two weeks, the main bitcoin exchange—based in Tokyo and known as Mt. Gox—filed for bankruptcy protection in February 2014.

Accounting for nearly 80 percent of all bitcoin operations, the exchange said it had been hacked, losing some \$477 million in crypto currencies.

Its former chief, a Frenchman named Mark Karpeles, gets a two- and-a-half-year suspended sentence from a Tokyo court in March 2019 for tampering with electronic data. He was acquitted on charges of embezzling millions from client accounts.

Breakthrough

The currency hit global headlines in 2017 after soaring in value from less than \$1,000 in January to \$19,511 on December 18.

The virtual bubble burst in the subsequent days, with bitcoin's value then fluctuating wildly, dropping below \$5,000 by October the next year.

Traders had been hoping to get a big boost with the approval by the US Securities and Exchange Commission (SEC) of a bitcoin exchange-traded fund (ETF).

But the SEC has thus far balked out of concerns about fraud.

Record

Bitcoin began its latest meteoric rise on October 21, after US online payments provider PayPal

announced that it would enable account holders to use crypto currency.

The US Federal Reserve and European Central Bank are holding consultations on the possible launch of their own virtual currencies, while China's [central bank](#) started experimenting with digital payments in four cities in April.

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APA citation: Bitcoin's rollercoaster ride (2020, December 16) retrieved 8 December 2021 from <https://techxplore.com/news/2020-12-bitcoin-rollercoaster.html>

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