

Record-breaking Bitcoin tumbles on Yellen warning

February 23 2021



The total value of all bitcoin had surpassed \$1.0 trillion on Friday

Bitcoin tumbled Tuesday from its record-breaking run after US Treasury Secretary Janet Yellen warned that the "highly speculative" unit could be used for "illicit" purposes.

At about 1500 GMT, the [digital currency](#) slid 12.57 percent to \$47,946, while rival ethereum declined 15 percent to \$1,539.

Tesla boss Elon Musk—whose company has invested heavily in [bitcoin](#)—tweeted Saturday that the prices of both cryptocurrencies "seem high".

Yellen hit out Monday over bitcoin, claiming it was inefficient and required a vast amount of energy—and she expressed fear it was used for "illicit" reasons.

"I don't think that bitcoin... is widely used as a [transaction](#) mechanism. To the extent it's used, I fear it's often for illicit finance," she said at an event hosted by the New York Times.

"It's an extremely inefficient way of conducting transactions. And the amount of energy that's consumed in processing those transactions is staggering.

"But it is a highly speculative asset, and I think people should beware. It can be extremely volatile, and I do worry about potential losses that investors in it could suffer."

Tuesday's slump came after bitcoin had blazed a record-breaking trail to peak at \$58,350 on Sunday.

The total value of all bitcoin had surpassed \$1.0 trillion on Friday.

One week ago, bitcoin blasted past \$50,000 after Musk's electric carmaker Tesla revealed it had invested \$1.5 billion in the unit.

Bitcoin also vaulted higher in recent weeks after corporate giants—including investment fund BlackRock, New York bank BNY Mellon and [credit card](#) titan MasterCard—embraced the digital unit.

© 2021 AFP

Citation: Record-breaking Bitcoin tumbles on Yellen warning (2021, February 23) retrieved 20 September 2024 from <https://techxplore.com/news/2021-02-record-breaking-bitcoin-yellen.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.