

Bitcoin trading prices rally in may



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The first four months of 2014 will go down as ones of the worst period for Bitcoin.

Everything started in January, with the arrest of Charlie Shrem. Then, the black series continued with the collapse of major trading exchange Mt Gox, a full-scale hacking attack on the bitcoin network, a Chinese regulatory crackdown, and the arrival of the U. S taxman.

As a result, the bitcoin prices dropped sharply by 60%, to hit a lowest under \$400 in April. Even at the \$600 mark, bitcoin is down nearly 50 percent from its 52-week high.

After a flat period, bitcoin is back, rallying above the \$600 level today. BitStamp has the current price at \$624, Huobi \$615 and Bitcoin Index Winkdex at \$618.

However, total transaction volume as measured by the total number of unique transactions is largely flat. Bitcoin per transaction is up. Given that we're seeing a rally, it's implied that people are buying increasingly large chunks of the cryptocurrency.

Nothing too large, mind you. Total traded bitcoin in the past 24 hours is only around \$29 million.

When bitcoin fell below \$400 I asked if \$300 or \$500 would be its next major dollar threshold. The market, after kicking bitcoin repeatedly over a multi-month period appears to be back in love.

But it now looks like May will be remembered as the month in which the spirits of the community were lifted once more. Not only has the price recovered a bit – it rose above \$600 Friday for the first time since mid-March and is now up 34% in the past month – but the news has been more positive.

Bitcoin Improving Framework

We had reminders that the venture-capital community remains very energized by the promise bitcoin holds as an international payments technology and as a disruptive force in the economy, with payment processor Bitpay announcing the biggest ever financing round at \$30 million.

We also had the similarly well-funded Circle unveil its plans for a high-security deposit and payments service.

And there were clear signs that corporate America, Wall Street and the Washington establishment were coming around to the promise of bitcoin, as the Federal Institutions are poised to adopted a Bitcoin Regulation soon.

Former Treasury Secretary and perennial Washington insider Larry Summers lauded bitcoin's potential to disrupt a financial system that's "ripe for disruption" around the same time that Bloomberg said it would start listing bitcoin prices.

In addition, Then eBay CEO John Donahoe called the digital currency an "exciting and emerging technology" and a Federal Reserve advisory panel of bankers said bitcoin could be "boon" to economic activity. Finally, on Thursday, Dish Network became the largest company in the world to say it will accept bitcoin.

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Lately there's been a flurry of bitcoin-related businesses that are making a point of building products that aren't necessarily "bitcoin" products. There was Jeremy Allaire's Circle, and BitPesa; both are financial services products that ride the bitcoin rails but aim to make the whole experience less techy and more

Yesterday, Coinbase introduced "Personal Pages," which are basically social media widgets you plug into your Facebook page, and today there's another entry in this field, called QuickCoin, which its creators are touting as the first "killer app" for bitcoin. "We've made sending bitcoin as simple as sending a Facebook message," the firm said in an email.

The idea behind QuickCoin is to make bitcoin transactions, well, quick, and simple. The app runs through Facebook or other social media. It has buttons to send or receive bitcoins, making transferring the digital currency about as complex as sending a text message.