

Greek referendum boosting bitcoin



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While the debt crisis in Greece continues to worsen, Eurozone finance ministers have rejected a plea by Greece to extend the bailout program beyond June 30th.

In a statement, the Eurogroup announced that Greece had stopped negotiations over a new deal “ unilaterally.” Greece is expected to repay a ^1. 6bn loan to the International Monetary Fund by June 30th.

Without any additional funding, there are fears that the country will be unable to pay back the loan, thus, forced to leave the Euro (Grexit) and suffer an economic collapse.

The country’s Finance minister Yanis Varoufakis stated that Greece is still attempting to secure a bailout deal that may be put to a referendum. “ In these crucial moments, the Greek government is fighting for there to be a last-minute deal by Tuesday,” he said.

Jeroen Disjsselbloem, head of the Eurogroup, said that the onus is now on the European Central Bank (ECB) to choose whether or not to continue with the emergency liquidity funding of Greece’s banking system. If the ECB decides to discontinue funding, the country’s banking system could collapse.

“ The process hasn’t ended - it will never end probably. We will continue to work with Greece. Many things could happen - many scenarios are conceivable,” Jeroen Disjsselbloem said.

Jeroen Disjsselbloem also pointed the finger at Greece for stalling progress and negotiations on the issue. “ They broke off their talks while they were still going on, while there was still time.

The only positive caveat I see is that the Greek parliament still has to take a wise position on that, and I hope that may lead to a different political situation," he stated.

It is not yet certain whether or not a " Grexit" will become a reality as nothing of this magnitude has ever happened in the history of the Eurozone. Although the country made a number of concessions at the beginning of last week, Greece's creditors want a lot more.

The July 5th bailout referendum called by Alexis Tsipras will be crucial to the outcome of this crisis, as will the decision of the ECB.

Since the last failure of the Greece negotiation with its creditors, Bitcoin prices have rebounded sharply.

Last week marked the sixth straight session of gains for the digital currency, its best run since January of 2014, before getting back towards \$235.

The announcement of the referendum has raised even more concerns and Greeks turn to bitcoin to diversify their assets. Considering many operators offer the option to peg the bitcoins to a fiat currency, bitcoin represents a practical and fast solution to store value

Currently, BTC is evolving near \$255 and should test the \$259 resistance soon, if broken bitcoin prices could reach \$275 in the coming days.

As per the altcoins, force is to note that Litecoin price is surging +35% above \$4. 10, and that other major coins are also benefiting from this bullish trend.

It is likely that the Greeks finally vote to stay in the Eurozone, thus the upward trend could end abruptly after the July 5th.