

Btc prices near the
usd450 mark



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Over the last two week, the price of bitcoin has increased about 36 per cent.

On 4th of November, the prices briefly touched the \$500 mark before decreasing below \$400 in the following days. At the end of last year, it hit its highest closing price at \$436.

The strong rally is accompanied by the record- breaking trading volumes on bitcoin exchanges. On 5th of December 3. 49 million bitcoins were traded across all exchanges tracked by data provider Bitcoinity.

According to bitcoin experts, this is due to various reasons such as the falling of the price of Yuan, the supposed “ unmasking” of Satoshi Nakamoto and an abundance of positive news flow around the blocksize debate.

Daniel Masters, the director of the Global Advisors Bitcoin Investment Fund stated that a weaker Yuan was driving Chinese investors into bitcoin.

He explained, “ It’s pretty simple in my view ... A domestic Chinese investor is faced with falling Yuan, falling commodity prices and falling real estate prices.

One of the few alternatives is bitcoin, which is negatively correlated to all this.”

Since the 4% devaluation of the CNY in August 2015, the Chinese authorities started to enforce capital controls. Bitcoin is legal in China, and individuals can wire RMB to one of the several large Bitcoin exchanges to exchange RMB for bitcoin.

Masters further stated that China will continue to be a major factor of increasing the price of bitcoin in the long term as its economy continues to slow and the Yuan sheds value.

Four days ago, the Wall Street Journal published an article in which it stated that the bitcoin rally was being driven by trader arbitraging the crypto currency and units of the Bitcoin Investment Fund.

The article stated, “ There is not much else one can invest in. This, combined with the increase in buying power – people naturally look to bitcoins. China definitely is number one, but quantifying its lead is debatable.

But I don’t doubt that China trades more bitcoins than any nation globally.”

“ After months at \$250, the price of the digital currency bitcoin took flight in early November, peaking above \$450 before falling back to \$360 more recently. There is some evidence that trading in a bitcoin- linked fund, Bitcoin Investment Trust may have played a role in the spike.

On 21st of October, for the first time the fund’s May launch on the over- the-counter marketplace OTCQX, the spread between the publicly traded shares of the fund and the price of bitcoin became almost negligible, with the fund closing at a 1. 9% premium. Volume exploded.

On 3rd of November, more than 71, 000 shares valued at about \$3. 5 million changed – 20 times the average.

The price of bitcoin, meanwhile, surged 53% between 21st of October and 4th of November, and volume on many bitcoin exchanges took off. ”

Harry Yeh, an institutional trader of Binary Financial commented that a slew of news coverage around bitcoin in the previous weeks has been a critical price driver.