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Top 10 Crypto

Bitcoin

Bitcoinbtc

$59,358.00

-2.01%

Ethereum

Ethereumeth

$2,580.46

-2.54%

Tether

Tetherusdt

$0.9999

-0.10%

BNB

BNBbnb

$555.77

-1.88%

Solana

Solanasol

$141.68

-2.94%

USDC

USDCusdc

$0.9995

-0.10%

XRP

XRPxrp

$0.5979

-1.62%

Lido Staked Ether

Lido Staked Ethersteth

$2,580.35

-2.50%

Toncoin

Toncointon

$6.74

-1.75%

Dogecoin

Dogecoindoge

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Forbes

Forbes Digital Assets

‘Institutions Are Coming’—$35 Trillion U.S. Dollar Collapse Predicted To Trigger A Bitcoin Price Boom To Rival Gold

Billy Bambrough

Senior Contributor

I write about how bitcoin, crypto and blockchain can change the world.

0

Aug 21, 2024,07:47am EDT

Updated Aug 21, 2024, 07:49am EDT

Bitcoin Bitcoin +0.9% has swung wildly in recent weeks, bouncing around $60,000 per bitcoin as traders brace for a China earthquake.

Subscribe now to Forbes' CryptoAsset & Blockchain Advisor and "uncover blockchain blockbusters poised for 1,000% plus gains" in the aftermath of bitcoin's halving earthquake!

The bitcoin price has dropped back from its all-time high of over $70,000 set in March as fears mount over the U.S.'s spiraling $35 trillion debt pile and billionaire Elon Musk warns of U.S. dollar "destruction" that could "bankrupt" the country.

Now, after former president Donald Trump floated a radical plan to wipe out U.S. debt, the U.S. dollar has hit its lowest level since the start of the year, sparking fears of further collapse and potentially feeding a bitcoin price boom.

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U.S. dollar, bitcoin, bitcoin price, crypto, image

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"Bitcoin became a trillion-dollar asset during a period in which the dollar was exceptionally strong," Zach Pandl, managing director of research at bitcoin and crypto asset manager Grayscale, told DL News.

"Do you know what’s going to happen to this asset when we have a period of sustained dollar depreciation," Pandl asked, suggesting the bitcoin price will surge.

The dollar's decline in recent months comes as investors are waiting for Federal Reserve chair Jerome Powell to signal the Fed will cut interest rates next month during his closely-watched speech at the Jackson Hole economic symposium meeting of central bankers on Friday.

"The market is looking for a soft [economic] landing and Fed rate cuts ... which is negative for the dollar," Athanasios Vamvakidis, head of G10 foreign exchange strategy at Bank of America, told the Financial Times, adding the dollar is "still overvalued."

Alongside expected weakness for the U.S. dollar, traders are also betting on continued U.S. spending that will push up the $35 trillion debt pile whether former president and Republican candidate Donald Trump retakes the White House in November or if vice president Kamala Harris wins it for the Democratic Party.

"As the market comes to grips with whatever candidate wins, we’re in for four more years of reckless fiscal policy," VanEck's head of crypto research Matthew Sigel, told CNBC. "The history is that bitcoin really hits its stride at that point. So we’re buyers here. We think it recovers."

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bitcoin, bitcoin price, crypto, U.S. dollar, chart

The bitcoin price has dipped in recent weeks but remains far higher than its lows of 2022. Forbes Digital Assets

The bitcoin price rally has this year been largely driven by the long-awaited arrival of a fleet of spot bitcoin exchange-traded funds (ETFs) on Wall Street, with some betting that the continued success of the funds will support the bitcoin price into 2025.

Institutional investors have "bought the dip" over the second quarter of the year, despite a decline in the bitcoin price of 12%, according to a report from asset manager Bitwise, with the company's chief investment officer, Matt Hougan, calling it a "great sign."

"If institutions will buy bitcoin when prices are volatile, imagine what could happen in a bull market," Hougan wrote in the report, adding: "The institutions are coming, and they're coming in size."

While bitcoin and the dollar decline, the price of gold has hit a fresh all-time high this week on growing fears of international instability.

"I think what we’re seeing here is that investors don’t yet move into bitcoin during periods of uncertainty,” Kaiko research analyst Adam Morgan McCarthy told Decrypt.

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Billy Bambrough

Billy Bambrough

I am a journalist with significant experience covering technology, finance, economics, and business around the world. As the founding editor of Verdict.co.uk I reported on...

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Crowded Bitcoin Derivatives Bets Spur Warning of ‘Short Squeeze’

Sidhartha Shukla

Wed, Aug 21, 2024, 2:14 AM EDT2 min read

(Bloomberg) -- A signal from the Bitcoin derivatives market points to the growing risk of a “short squeeze” that can stoke sharp rallies in the largest digital asset, according to cryptocurrency specialist K33 Research.

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The metric is the funding rate for Bitcoin perpetual futures, which helps to gauge how bullish or bearish speculators are. K33 said the seven-day average annualized funding rate on Aug. 20 was the lowest since March 2023 — when US bank failures rattled investors — indicating a prevalence of downside wagers.

“Perpetual swap funding rates have averaged at negative levels over the past week, while open interest has sharply increased,” K33 analysts Vetle Lunde and David Zimmerman wrote in a note. “This suggests aggressive shorting, structurally creating a setup ripe for a short squeeze.”

In such a squeeze, surprise price jumps force fast-money traders to close out bearish bets, adding fuel to the bounce. The mood in the Bitcoin market has been gloomy of late: the digital asset is nursing losses for August and has struggled to hold above the $60,000 level. Meanwhile, a global stock gauge has rebounded toward a record high and gold has set fresh peaks.

K33 said notional open interest — or outstanding contracts — in the perpetuals market rose by the equivalent of almost 29,000 Bitcoin over the past week. The seven-day average annualized funding rate on Aug. 20 was minus 2.5%. Such rapidly increasing open interest alongside a negative funding rate is a comparatively rare backdrop, Lunde and Zimmerman said.

Perpetual futures are popular with speculators in the crypto sector as they have no set expiry. Activity has also been climbing in the more traditional Bitcoin futures market hosted by Chicago-based CME Group Inc., which may be an indication of re-engagement by US institutional investors.

Bitcoin has been sapped recently by concerns that the US government is selling seized tokens. Traders are also awaiting a key speech by Federal Reserve Chair Jerome Powell, whose signals on expected interest-rate cuts could stir volatility. The token was steady at $59,550 as of 7:12 a.m. on Wednesday in London, about $14,250 below its March all-time high.

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'Self-Run' Car Wash Sells For 140K, New Owner Profits $5K A Month, Only Stops By To Mix Soap And Collect Cash

When it comes to successful car wash ventures and pop culture references, Walter White’s A1A from “Breaking Bad” comes to mind. But for one young entrepreneur, her scrub stop is no cover-up — it’s bringing in truckloads of money and pretty much runs itself. What To Know: According to a Business Insider report, 22-year-old Hannah Ingram purchased a coin-operated car wash in Tennessee in 2021 for $140,000. It brings in approximately $5,500 a month in profit and requires almost zero work. Don't Mis

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Will Buffett's 'put' on oil firm Occidental halt share drop?

Shares in U.S. oil producer Occidental Petroleum fell to $56.17 on Tuesday, below a level that has routinely triggered purchases by its biggest holder, billionaire investor Warren Buffett's Berkshire Hathaway. Past multimillion-share purchases were so routinely timed to drops below $60 that Wall Street analysts called it "the Berkshire put," for setting a price floor on the oil firm's shares. But Occidental has traded below that price all month, the longest period since a swoon in January that ended after Berkshire acquired 4.3 million shares in early February.

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Prior to joining Morgan Stanley, Bloomer was the ousted CEO of Prudential Financial insurance group.

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I can see why this stock is a Buffett favorite.

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