

## Bitcoin Just Surged Past \$8,000. Here's What's Causing the Spike

By **Lucinda Shen** November 17, 2017

After dipping below \$6,000 earlier this month, the price of cryptocurrency Bitcoin surged as high as \$8,040 Friday on one of the world's largest exchanges, Bitfinex.

The globally weighted average-high Bitcoin prices were slightly lower, sitting at \$7,998. Bitcoin prices have pared their gains since, falling to \$7,829 on Bitfinex, close to the globally weighted average.

Still, Friday's surge in Bitcoin's price comes amid growing institutional investor interest as well as an expected "hard fork" Friday that will introduce a new cryptocurrency for Bitcoin owners.

Established investors and companies are increasingly venturing into the wild west world of cryptocurrency in recent months. Payments company Square began allowing select customers [buy and sell Bitcoin earlier this week](#). The Chicago Mercantile Exchange said it would offer Bitcoin futures [by the end of the year](#), potentially opening the coin to a host of institutional investors. Coinbase has taken aim at [hedge funds and sovereign wealth funds](#) with a new custodian service.

The aforementioned hard fork, too, is contributing to Bitcoin's rise. The leaders of the SegWit2x hard fork faction said just before Bitcoin's price slid below \$6,000 that they would suspend a proposal to increase the size of Bitcoin blocks from 1MB to 2MB. But major Bitcoin exchanges say today that they still expect a small group of miners to go forward with the [SegWit2x proposal](#), leading to the creation of a separate network and cryptocurrency.

“Despite these developments, a small number of miners may attempt to go forward with a fork,” David Farmer, Coinbase’s director of communications, wrote in a blog post Friday. The fork, he added, is expected to occur between 6 a.m. and 8 a.m. Pacific Time on November 17.

Coinbase and Coinbase-owned GDAX said they would suspend deposits and withdrawals at 5 a.m. Friday EST, though trades will not be impacted.

The thinking goes that part of Bitcoin’s price jump in recent months has been thanks to anticipation surrounding the SegWit2x fork. As a hard fork results in the creation of a new cryptocurrency, each Bitcoin investor receives an equal number of whatever the new coin may be. For example, in an August hard fork, Bitcoin investors [received Bitcoin Cash](#) in addition to their existing cryptocurrency funds.

In anticipation of a similar windfall, investors may have bought into SegWit2x ahead of its fork. But due to SegWit2x’s limited support now, Coinbase and GDAX say it’s likely that they won’t allow Bitcoin 2x trading or withdrawals. If other exchanges take a similar stance, investors will have less incentive to buy in before the split.

Still, interest in the new coin is still there. Tuur Demeester, Editor-in-Chief at Adamant Research, noted that the futures market is predicting a \$225 value for the coin. But that’s not quite the same level of enthusiasm that was around before SegWit2x’s suspension. Back then, it once traded at \$1,253.



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B2X hard-fork is scheduled in about 3 hours. Despite endorsement withdrawals, the futures market implies a value per coin of \$225, or a market cap of nearly \$4 billion. [#segwit2x](https://segitwit2x.coinsalad.com/2x/countdown)  
[coinsalad.com/2x/countdown](https://segitwit2x.coinsalad.com/2x/countdown)

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Bitcoin Cash, meanwhile, is trading up 8% Friday, at \$1,115.