

Mining Could Cause Popular Crypto Value to Cave

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We left Dublin, the city of Viking origin, conquered by the Normans in the 12th century ... then became a stronghold of the English in Ireland through the centuries.

We are in the south of the country, in another city of Viking origin.

The stock market has retreated Wednesday and Thursday ...

After a surprising rise at the beginning of the week, the stock market fell ... the CAC 40 opened lower by more than 1% Wednesday ... then by about 0.4% on Thursday.

Why?

The market lost its enthusiasm after the publication of the latest figures on oil ... showing that supply was climbing while consumption remained soft.

With lower oil prices, stocks in the energy sector are likely to fall lower ...

The company Total, the largest multinational on French soil, has seen its price drop 3.75% since Monday ...

Companies such as Total or Exxon, which you recognize by name, suffer less than the smaller producers ...

The XOP fund, which is made up of small oil producers, has for example lost 26.9% since January 1 ...

And the OIH fund, which is made up of companies that provide services to oil producers, lost 27.5%.

For comparison, Total lost 10.5% this year ... and Exxon-Mobil, the world's largest oil producer, lost 10.4%.

When the price of oil was above \$ 100 a barrel, which lasted until 2014, the banks injected hundreds of billions of euros into oil production.

Since then, the price of oil per barrel has lost more than 50%, and a large part of these borrowings is in difficulty ...

With the development of extraction technology to "hydraulic fracture," oil prices are likely to remain at these levels for some time.

Bitcoin, Ethereum, and others are hovering ... but here's something that could plumb them ...

You may have observed the gains that speculators have made in crypto-currencies ...

"My assets have climbed by \$ 150,000 since January," says a close who invested heavily in these "crypto-currencies" in late 2016 ...

Today we come across a news that warns us against the Bitcoin and other ...

Which?

With the rising prices of these currencies, more and more people begin to "miner" these currencies to resell them ...

As a reminder, anyone can "undermine" a crypto-currency ... you only need a computer.

Why do not more people do it?

Well, computer programs to "mine" these currencies are energy intensive ... so that your electricity bill exceeds the value of the currency you will get.

For more "established" currencies, such as Bitcoin, energy demands are even more important ...

On the other hand, if you have the means to produce electricity at low cost - for example, with your own power plant - you could produce crypto-currencies at a much lower cost than other miners, Make a profit ...

Who is best placed to "mine" these currencies?

Well, it's the electricity companies themselves-

According to a report in Deep.Dot.Web, electricity producers in China have massively "mined" crypto-currencies last year:

"Chandler Guo, a major investor in Bitcoin through its mining network Bw.com, and investor in 'start-ups' in the Ethereum currency, has just revealed that Chinese utilities are using their surplus Of energy to undermine the Bitcoin.

"Guo, which runs a mining network in China, revealed in an interview with Ether.camp that power companies in China are beginning to undermine the Bitcoin to generate income from their excess production.

"Instead of continuing to leave unused energy surplus, these companies are putting this electricity at the service of Bitcoin mining.

"'Today, energy companies are starting to do Bitcoin,' explained Chandler Guo. 'Before, we [miners of crypto-currencies] bought electricity from these people [the electricity producers] in order to undermine the Bitcoin. Today, the electricity producer mine the Bitcoin itself.

"The [energy companies] no longer sell us electricity. Instead, they buy us the mining equipment, 'he explains. 'Many electricity producers become miners of Bitcoin. Even the smallest producers can buy 1 or 2 peta-hashes [the equivalent of a 30-storey building filled with computers]. "

If electricity producers begin to mint crypto-currencies, their quantity could explode ... which should reduce their value over time, or at least slow their growth ...

Conclusion?

We could see the crypto-currencies deflate, at least in the coming months.

What to do...?

The market looks closely at the price of oil ... because it allows to "gauge" the health of the economy around the world ...

When the price of oil falls, the demand for energy is low ... which can signal a phase of decline ...

On the other hand, the stock market continues to climb as if the economy was booming ... "

What's going to happen?

We are in a period of strong growth in stock prices ... but indicators on the health of the economy are not reassuring.

Our shares climb thanks to optimism on Wall Street ...

In mid-July, we will have the results of the second quarter of the companies ...

If these results are disappointing, then pay attention.

Truly,

