

CRYPTOCURRENCY, JUST A HYPE OR THE FUTURE?

The talk of the hour, more like the entire year. "Cryptocurrency", everyone wants to jump on the bandwagon from Elon Musk to you and I. This blockchain network showed us to peak and quickly imploded, is the crypto's value a tweet away? Is this scaring away countries? Clearly, there is a lot going on here and this is how we view it.

Let's talk about the first quarter, the more glorious one so far. At the beginning of this year, the capitalization of this market grew from a Billion to a trillion! The hype over crypto reached many reputable companies, giving us trust about this volatile market with their public announcements of invested funds. The most acknowledged was that of Tesla, investing about \$1.5 billion in Bitcoin and BlackRock, the world's largest investment fund, owning about \$7.4 trillion. In Feb as Tesla released its first-quarter earnings report there was a surge seen in the market especially with Bitcoin by a whopping 60% by the 1st of May but this was only a climb before the leap.

By May, 20th Bitcoin started its downward trend, startling a lot of people. One of the potential reasons was China, which notified its financial institutions and payment companies to not participate in the adoption of cryptocurrency as virtual currencies cannot be seen as a form of payment as they are not "real". This implied that all financial institutions cannot and must not have any holdings in their crypto portfolio, marked the beginning of a colossal fall.

After which it only took one word to fuel the process "*indeed*" just this one word single-handedly brought a roaring bear trend. Elon Musk's reply to a tweet from an unverified account which claimed, "Bitcoiners are going to slap themselves next quarter when they find out Tesla dumped the rest of their #Bitcoin holdings. With the amount of hate @elonmusk is getting, I wouldn't blame him". To which Elon only replied with an "*indeed*". This created confusion as to what he was agreeing with and brought about a huge commotion resulting in an instant 20% fall over its bad down curve that had already occurred. At the time of writing, on the 29th of May, the price of one BTC is \$34,590.97 where at the beginning of the

month it was \$51,647 not just BTC but Ethereum, BinanceCoin, Ripple, Cardano, Dogecoin have all seen a drastic fall. Does this mean the end of crypto?

Well, with all the trends we have observed so far there is a bleed in the market as of now, but one of the three things can happen. A recovery, consolidation or a further falling trend. Either of which does not indicate a fall in the crypto market for a prolonged period as from the observations, bigger the dip greater the rise and we have seen this happen with BTC from 2017 and overall the crypto world has a lot to offer that people seem to cherish, with its anonymity and no transaction fees this could be the currency of the future or the regulations of the countries may put a stop to it. Only time can tell.
(note: this is not financial advice, please do your own due diligence)