

Bitcoin slide adds to signs of step back in retail trading mania



[Bitcoin](#) fell amid a wider retreat in assets that had earlier ridden a wave of stimulus-infused optimism among retail traders.

The largest cryptocurrency dipped 2% to about \$52,850, a two-week low, as of 7:23 a.m. in London. The token is mired in its longest losing streak since December. The wider Bloomberg Galaxy Crypto Index is also struggling.

Speculation is growing that more of the latest stimulus checks in the U.S. will be spent in the real economy rather than markets as vaccinations help to return life to something more like normal. The number of call options traded in the U.S. has slipped from the

records earlier this year and high-profile investments like GameStop Corp. and the ARK Innovation ETF are sliding.

A general Bitcoin downtrend is being “exacerbated by the move to value in general across asset classes” and away from areas like technology, said Vijay Ayyar, head of Asia Pacific with crypto exchange Luno in Singapore. The upcoming expiry of derivative contracts is adding to the volatility, he said.

Bitcoin is about \$9,000 below a record of \$61,742 set earlier in March, but remains 700% higher over the past year. The coin spiked briefly Wednesday after a series of tweets from Tesla Inc. CEO Elon Musk announcing the automaker will accept the digital asset as payment.

The token remains mainly a vehicle for speculation and is unlikely to displace alternative stores of value, according to Blythe Masters, a former JPMorgan Chase & Co. executive who is now chief executive of Motive Capital.

Others argue institutional adoption of Bitcoin is expanding as part of efforts to diversify portfolios and hedge risks like faster inflation.

“The color and information we see from the street is largely from the institutional part of the market, and nothing has really changed in their view on the impact of stimulus on longer term inflation and the role of digital assets as a hedge to that,” said Matt Long, head of distribution and prime brokerage at digital-asset platform OSL in Hong Kong.

[Bitcoin](#)