

Bitcoin roars to record past \$15,000

December 7 2017



Bitcoin has risen from \$752 in mid-January to dramatically surge past \$15,000

Bitcoin ploughed past \$15,000 to a fresh record on Thursday, triggering a warning the cryptocurrency was "like a charging train with no brakes" and prompting fresh concern about its looming launch on mainstream markets.

It struck a new high of \$15,242.99 around 1030 GMT, according to Bloomberg News.

The rally came just a day after the virtual currency, which has been used to buy everything from an ice cream to a pint of beer, hit the \$12,000 mark for the first time, while it has soared more than 50 percent in value in just one week.

Bitcoin—which came into being in 2009 as a bit of encrypted software and has no central bank backing it and no legal exchange rate—has risen from a 2017 low of \$752 in mid-January and surged dramatically in the past month.

The increased interest has been driven by growing acceptance among traditional investors of an innovation once considered the preserve of computer nerds and financial experts.

But some, including the US Federal Reserve, have warned against dabbling in bitcoin as it could threaten financial stability, and fears of a bubble have increased as the price has soared.

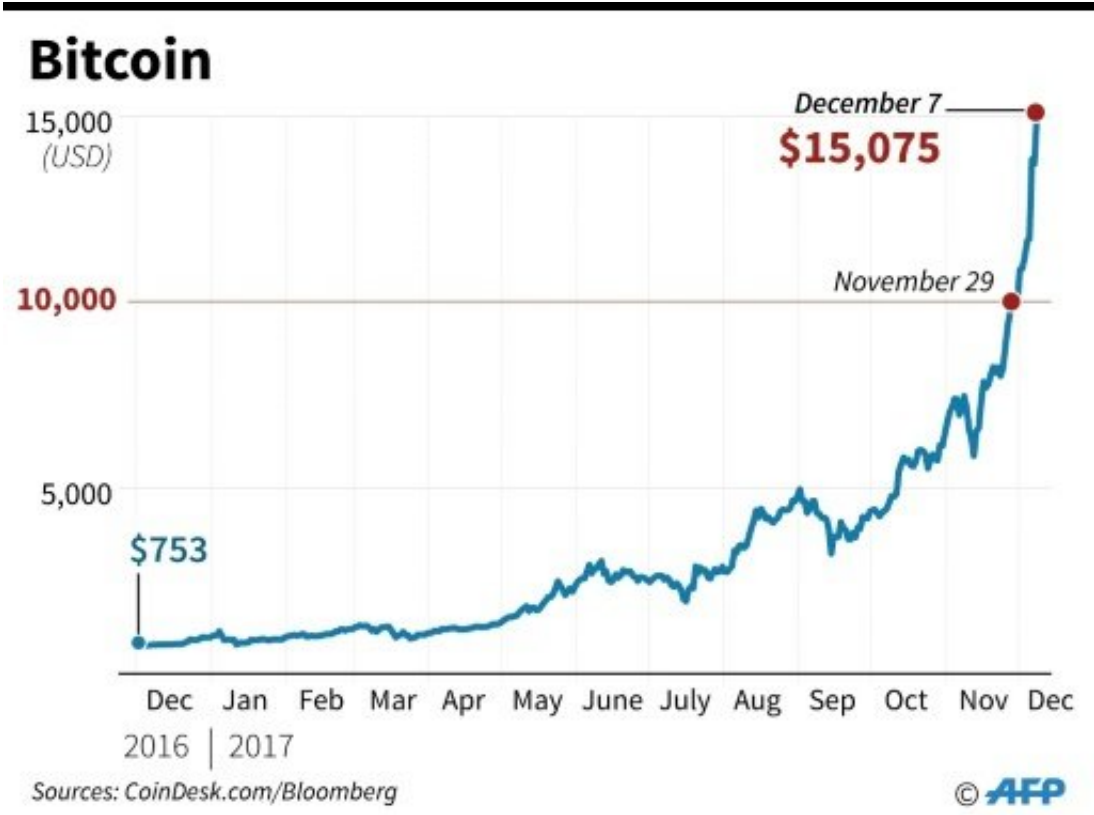
"Bitcoin now seems like a charging train with no brakes," said Shane Chanel, from Sydney-based ASR Wealth Advisers. "There is an unfathomable amount of new participants piling into the cryptocurrency market."

But he warned: "Once the hype slows down, we will most certainly see some sort of correction."

Financial industry concerns

There are mounting concerns about its introduction into the mainstream financial system after US regulator the Commodity Futures Trading Commission last week cleared the way for bitcoin futures to trade on major exchanges, a decision which analysts say has helped spur the recent rally.

Bitcoin is to be offered on the CBOE Futures Exchange from this weekend and on the world's biggest futures venue, the Chicago Mercantile Exchange (CME), from December 18.



Bitcoin prices in the past year.

The Futures Industry Association, which groups some of the world's biggest derivatives brokerages, criticised the plans in a letter to the regulator, saying that contracts are being rushed through without the risks being properly weighed up.

"A more thorough and considered process would have allowed for a robust public discussion among clearing member firms, exchanges and

clearing houses," said the association.

Speaking to Bloomberg TV, Royal Bank of Scotland chairman Howard Davies called on the Federal Reserve, the European Central Bank and the Bank of England to present a co-ordinated warning amid concerns this may well be a bubble that could spectacularly burst.

'Dante's Inferno'

But "all the authorities can do is put up the sign from Dante's Inferno: 'Abandon hope all ye who enter here'", RBS chief Davies said as he warned that a ban on bitcoin would simply give rise to new digital currency types.

Transactions happen when heavily encrypted codes are passed across a computer network.

The NiceHash marketplace was meanwhile on Thursday investigating a security breach resulting in the theft of bitcoin.

"Clearly, this is a matter of deep concern and we are working hard to rectify the matter in the coming days," NiceHash said in a statement.

"In addition to undertaking our own investigation, the incident has been reported to the relevant authorities and law enforcement and we are co-operating with them as a matter of urgency."

Bitcoin and other virtual currencies use blockchain, which records transactions that are updated in real time on an online ledger and maintained by a network of computers.

In 2014 major Tokyo-based [bitcoin](#) exchange MtGox collapsed after admitting that 850,000 coins—worth around \$480 million at the

time—had disappeared from its vaults.

Bitcoin's use on the underground Silk Road website, where users could use it to buy drugs and guns, also raised suspicions about the virtual money.

© 2017 AFP

Citation: Bitcoin roars to record past \$15,000 (2017, December 7) retrieved 26 June 2024 from <https://phys.org/news/2017-12-bitcoin-roars.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.