

Bitcoin's true believers vow to ride out currency rollercoaster

April 18 2018



The bitcoin cryptocurrency has risen and fallen in recent months, testing investors' nerves, but the founder of Bitcoin Center in New York says the digital money—seen here in gold-plated souvenir form—is not for dilettantes

The crowds have thinned somewhat at Bitcoin Center, leaving just the true believers in the volatile cryptocurrency.

"Two months ago we couldn't breathe here" due to the throngs, recalled Nick Spanos, founder of the trading and educational hub in lower Manhattan.

"People outside couldn't get inside."

The center, which was set up in December 2013, calls itself a one-of-a-kind epicenter for all things bitcoin. It is primarily frequented by technology and financial types, mostly male and mostly younger, although it aspires to go well beyond that core audience.

"The Bitcoin Center is open seven days a week to shed light on the world of bitcoin to whoever walks in our doors!," proclaims its website. "Our staff can provide an overview of bitcoin on the spot or register guests for our comprehensive bitcoin courses."

On a recent weekday evening, about 100 people gathered in the space, a parlor in a Ukrainian restaurant, to trade bitcoins on smartphone applications, nibble on complimentary snacks and take in the latest insights from Spanos.

He threw a few barbs at journalists who have cast a skeptical eye on the cryptocurrency's rollercoaster performance.

But Spanos, who worked previously for former Republican and Libertarian presidential candidate Ron Paul, saved his sharpest words for Jamie Dimon, the JPMorgan Chase chief who last year said it was "stupid" to invest in bitcoin, which he has called a "fraud."

The mention of Dimon drew boos from the crowd, who have seen bitcoin swoon from nearly \$20,000 in mid-December to \$7,895 on Tuesday, according to Bloomberg.

Total trading volumes have fallen in half between mid-December and the start of April, according to Bitcoinity.org.

In another sign of faltering interest, the number of weekly searches on Google for bitcoin now stands at about one-fifth the peak level in December, when the cryptocurrency began trading on major exchanges.

The price retreat comes as regulators adopt an increasingly skeptical stance towards the digital money.

On Tuesday, New York Attorney General Eric Schneiderman, citing reports of theft of vast sums of virtual currency from customer accounts, and sudden and poorly explained trading outages, sent queries to 13 major trading platforms on their operations, internal controls, and safeguards to protect customer assets

Buy and hold

Twenty-four-year-old Zalman bought his first bitcoin a few months before the spike.

"I panicked at the end of December," said the young man, who declined to give his last name.

"The slip was hard to digest even though I knew the price could not go up forever," he said. "I did not sell because I believe in the technological revolution."

Daniel, a fellow enthusiast, acknowledged selling a small number of his bitcoins amid the rout.

"It's hard to wake up in the morning and realize that we've lost thousands of dollars in the night."

Daniel said he first began buying the cryptocurrency eight years ago when it cost less than \$1.

He said he thinks back on the 2013 bubble "to convince me to keep my bet," alluding to a seven-day stretch when bitcoin lost about half its value after hitting \$1,137 in November of that year.

Some see a silver lining in bitcoin's recent stumble.

"It's probably a good thing that prices have fallen, we had gone up too fast," said one member of the Bitcoin Center who declined to give his name.

"People who knew absolutely nothing came to us by saying they would withdraw all their savings to put them in virtual currencies!"

Longtime cryptocurrency watchers have learned to ride out the waves of volatility.

"Mum-and-dad investors who entered the market when Bitcoin was worth \$19,000 can be disappointed," said Michael Casey, chairman of the advisory board at CoinDesk, a digital media and information service for crypto assets.

"But the community, including those who invested not later than last May, did not lose money."

Spanos cautioned that "[bitcoin](#) is not a 'get rich quick' scam."

"The goal is to keep your bet and ultimately get monetary independence."

Citation: Bitcoin's true believers vow to ride out currency rollercoaster (2018, April 18) retrieved 20 May 2024 from <https://phys.org/news/2018-04-bitcoin-true-believers-vow-currency.html>

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