Bitcoin fighting back after the recent turmoil



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Bitcoin has doubled in price in a week, from the nadir at $6,200 to around $10,800 currently, and other cryptos are responding in similar fashion, begging the question, is the volatility over?

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Crypto currencies, led by Bitcoin, are fighting back after the recent collapse.

Bitcoin $BTC and the crypto currencies are staging a strong recovery sine the recent market turmoil sent the price of Bitcoin down 75%.

Bitcoin has increased in price 35% in a week, from around $8,200 (the recent nadir was $6,200) to around $10,800 currently, and other cryptos are responding in similar fashion, begging the question, is the volatility over?

I'm not so sure, now that the CME has some control via the Futures Contract, I feel we may see more volatility in the future.

What the recent volatility probably did do, in those countries where bitcoin is heavily traded, (China, South Korea, and Japan), is wipe out a lot of margined players. It's hard to see how this did not happen due to the rapidity and severity of the falls.

If my theory of margin players being wiped out (or worse!) is true, it will take some time for confidence to be restored and new players enter the game. Those people predicting Bitcoin could only go up and never fall have been proved badly wrong, and confidence shaken, and that will take some time to recover.

The benefit of the recent volatility is that people will have learned that Bitcoin and crypto currencies, like stocks and

bonds, can go down as well as up, and that’s not a bad thing in the long run.