

Bitcoin recovering strongly but other crypto currencies look weak

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Other crypto currencies in the 'top 10' have not done so, and remain weak, particularly **Ethereum \$ETH**, which remains far off it's peak of three weeks ago.

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Bitcoin ran up to and briefly exceeded \$3,000 per coin, before retracing in dramatic fashion to the \$1,800 level, but has since risen 50% from the low to arrive back at \$2,700.

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Ethereum on the otherhand, after a dramatic rise from \$8 to \$400 this year! has remained in the doldrums since two events:

Firstly it suffered a "flash crash" when the price declined from around \$360 to about 10 cents in minutes, before recovering again.

Secondly, in the brief crypto crash, shortly after the 'flash crash', where all crypto coins values were decimated, Ethereum remains languishing, unlike Bitcoin which looks to be heading towards the high again.

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One of the important tenets of business and investment is trust, and it has taken some time for people to start to trust crypto coins, and in fact Bitcoin should take the plaudits in establishing that trust, as it is accepted as a currency by some merchants, and Japan has just declared it a currency for retail transactions.

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No other coin can yet claim to have established the trust bitcoin has, although before the flash crash Ethereum looked to be headed in the same direction. One wonders whether the flash crash wiped a lot of Ethereum traders out of the game? it's a matter of fact that many had stop losses taken out and lost their entire holding as a result, only for the bounce to

restore value after this occurred.

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One crypto exchange has compensated their clients for their losses, which is very honourable considering they themselves weren't to blame, but everyone else is nursing losses they cannot recover.

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I think the crash shook the confidence of people that were jumping into alternative crypto currencies to bitcoin trying to multi bag value, and as a result, people may now be reflecting that Bitcoin offers less upside but is far safer to invest in.

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Will Ethereum regain the trust of investors? I remain to be convinced in the shorter term, as many of the traders have been wiped out, and probably can't or won't return.

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