Bitcoin wobbles as China announces exchange closures

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Where to now for Bitcoin of the Chinese based exchanges close?

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Bitcoin, as far as I am concerned, is no different to any other fiat currency, it is not backed by anything tangible, such as gold. Yet people have traded it from around $800 at the start of 2017 to over $4,000 now (including the bitcoin Cash split) whilst gold has treaded water during that time.

I find it quite incredible a virtual coin could overtake the value of gold by multiples, but it happened and one has to accept that other, probably younger people than myself trust Bitcoin, and it has started to officially gain recognition as a currency in places such as Japan and Sweden. Amazon actually give a discount for goods purchased with Bitcoin.

The irony is that just as it was gaining recognition, and trust, the crypto currencies have become exceedingly volatile. How can you run a business and accept Bitcoin when the price can fluctuate $100 in minutes, when processing of transactions on the ledger can take a couple of hours? It simply doesn’t work, and I can see further volatility could cause a problem with trust going forwards.

If China does go ahead and close their exchanges, it remains to be seen what will happen to the price (not value) of Bitcoin and the other cryptos. I suspect the price will pull back by some good measure.

People holding significant sums of money in crypto coins such as Bitcoin may find it prudent to convert some back into their own currencies sooner rather than later, if the Chinese government confirm the exchange closures reported in the press.

Rumours that Microsoft, Google, Apple, et al are working on putting cryptos in their browsers may come too late, and perhaps this might usher in a new crypto currency with more government control?