Cryptos falling again, how much more patience have investors got?



Bitcoin and Crypto currencies

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To have a sense of the losses suffered by crypto investors, Bitcoin has fallen from over $20,000 (intraday) to just $6,200 today, and Ethereum has had $113 BILLION wiped from its market cap in the same timeframe, falling from over $1,404 to just $197 today.

These lower current prices are, of course, much higher than they were a year ago or more, despite the massive falls that have occurred recently, so longer term holders will still be showing a very decent profit, but new investors drawn in by the smell of easy money will be nursing some serious losses. It is these people whose patience will be tested in the coming months.

As a market rises exponentially, investors believe they are invincible, and their chosen investment is going to the moon, egged on by a slow to react media posting stories like “bitcoin $100,000 by year end”, which gets all the new and potential punters excited, and they pile in as the clever money that drove the price higher starts to exit.

This happened in technology and internet stocks at the year 2000, mining stocks in 2008, the housing market briefly in 2009, and now the cryto market in 2018. The end result is always the same, latecomers attracted by stories of great profits are lured into investing just as early investors start to take their profits, and the markets start to fall, the

“madness of crowds” scenario.

With this familiar scenario in mind, one wonders how much further crypto investor patience will stretch? So much newly created ‘wealth’ has been erased, sentiment amongst newcomers to the sector must be low by now.

We may be approaching a crunch point, and if Bitcoin drops below $6,000 for more than a few days, that might be the catalyst, we shall have to wait and see.