

Bitcoin surges past \$15,000 for first time as concerns mount

LONDON - Bitcoin ploughed past \$15,000 to a fresh record on Thursday, triggering a warning the cryptocurrency was "like a charging train with no brakes" and prompting fresh concern about its looming launch on mainstream markets.



©dalebor 123rf.com

It struck a new high of \$15,075 in European trading hours, according to *Bloomberg NewsM*.

The rally came just a day after the virtual currency, which has been used to buy everything from an ice cream to a pint of beer, hit the \$12,000 mark for the first time, while it has soared more than 50 percent in value in just one week.

Bitcoin -- which came into being in 2009 as a bit of encrypted software and has no central bank backing it and no legal exchange rate -- has risen from a 2017 low of \$752 in mid-January and surged dramatically in the past month.

The increased interest has been driven by growing acceptance among traditional investors of an innovation once considered the preserve of computer nerds and financial experts.

But some, including the US Federal Reserve, have warned against dabbling in bitcoin as it could threaten financial stability, and fears of a bubble have increased as the price has soared.

"Bitcoin now seems like a charging train with no brakes," said Shane Chanel, from Sydney-based ASR Wealth Advisers. "There is an unfathomable amount of new participants piling into the cryptocurrency market."

But he warned: "Once the hype slows down, we will most certainly see some sort of correction."

There are mounting concerns about its introduction into the mainstream financial system after US regulator the Commodity Futures Trading Commission last week cleared the way for bitcoin futures to trade on major exchanges, a decision which analysts say has helped spur the recent rally.

Bitcoin is to be offered on the CBOE Futures Exchange from this weekend and on the world's biggest futures venue, the Chicago Mercantile Exchange (CME), from December 18.

The Futures Industry Association, which groups some of the world's biggest derivatives brokerages, criticised the plans in a letter to the regulator, saying that contracts are being rushed through without the risks being properly weighed up.

"A more thorough and considered process would have allowed for a robust public discussion among clearing member firms, exchanges and clearing houses," said the association.

Transactions happen when heavily encrypted codes are passed across a computer network.

The NiceHash marketplace was meanwhile on Thursday investigating a security breach resulting in the theft of bitcoin.

"Clearly, this is a matter of deep concern and we are working hard to rectify the matter in the coming days," NiceHash said in a statement.

"In addition to undertaking our own investigation, the incident has been reported to the relevant authorities and law enforcement and we are co-operating with them as a matter of urgency."

Bitcoin and other virtual currencies use blockchain, which records transactions that are updated in real time on an online ledger and maintained by a network of computers.

In 2014 major Tokyo-based bitcoin exchange MtGox collapsed after admitting that 850,000 coins -- worth around \$480m at the time -- had disappeared from its vaults.

Bitcoin's use on the underground Silk Road website, where users could use it to buy drugs and guns, also raised suspicions about the virtual money.

Source: *AFP*

For more, visit: <https://www.bizcommunity.com>