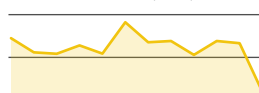




TRENDING

Survey: Is the Bitcoin Community Just Young, White and Male?

BITCOIN PRICE INDEX (24H)



USD -1.29%

\$240.26

EUR €223.70

CNY -1.45%

¥1,489.54

GBP £162.31

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Markets Weekly: Price Crosses \$300 Following Coinbase News

Joon Ian Wong (@jooonian) | Published on January 26, 2015 at 13:37 BST

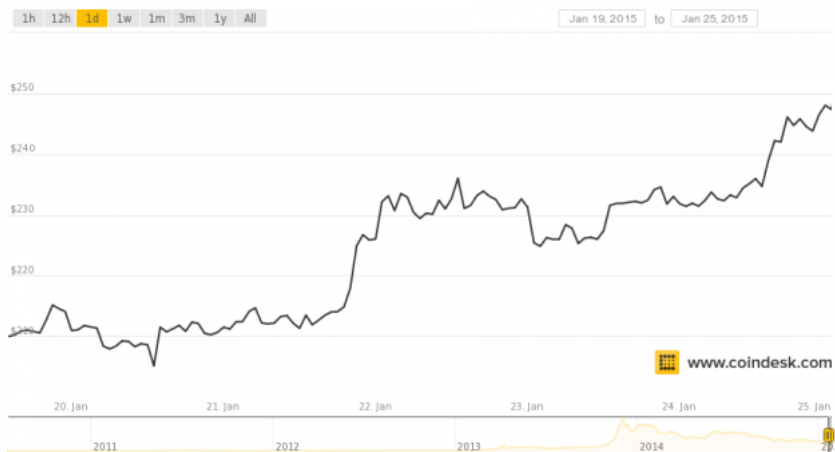
FEATURE

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The price of bitcoin has rocketed over the past week, gaining 19% over the seven days to break the \$250 mark.

Just before 08:00 (GMT), the price pushed beyond \$300, and it was still hovering around that level at press time.

The bitcoin price opened the week at \$209.93 and closed seven days later at \$254.51, gaining a whopping \$40 over that period, according to the [CoinDesk Bitcoin Price Index](#).



Buying on the news

Two bullish announcements – both involving the bitcoin services juggernaut [Coinbase](#) – coincided with the price spike last week. This doesn't even account for a third notice from Coinbase, that it's opening its own exchange, that [came yesterday](#), as the week closed.

Early in the week, Coinbase revealed that it had sewn up a [massive fund-raising round](#) worth \$75m, the largest amount of capital raised by a bitcoin company to date. However, the round was significant not only because of the amount of money committed, but because of the investors involved.

The Coinbase round counted institutions and notables who are rooted in the world of mainstream finance, including the [Spanish megabank BBVA](#), the New York Stock Exchange and former Citi chief Vikram Pandit.

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The exercise also roped in Japanese telco DoCoMo, which holds out the promise of mass adoption through mobile devices and a broadening of Coinbase's reach, which has been confined to North America and parts of Europe so far.

While the first announcement suggested Coinbase had both the means and the backers to get consumers on board its "on ramp" to bitcoin, the second played to a different audience.

Braintree, the payments platform owned by PayPal, [announced](#) mid-week that Coinbase was now available on its software development kit. This meant that merchants who use Braintree to enable digital payments could now accept bitcoin payments, but only through Coinbase.

Braintree's merchant base includes some of the hottest names in the Internet economy, with the likes of Uber and Airbnb using its software tools. Now, in theory, Coinbase had access to this merchant base, giving the 2.2 million wallets that its users had generated somewhere to spend their bitcoins.

Both announcements were tightly contained, with nary a rumour finding its way to Reddit. This left bitcoiners to buy on the news, for once, instead of the more common practice of buying on the rumour and selling on the news.

Other good news

A smattering of other bullish news events surfaced in the past week as well. The point-of-sale giant Ingenico [added a bitcoin payment option](#) to its terminals, again broadening the merchant base for the cryptocurrency.

And the Winklevoss twins, rumoured to be close to finally launching their bitcoin ETF, [unveiled plans for an exchange](#) of their own, promising a "fully regulated" platform for trading coins.

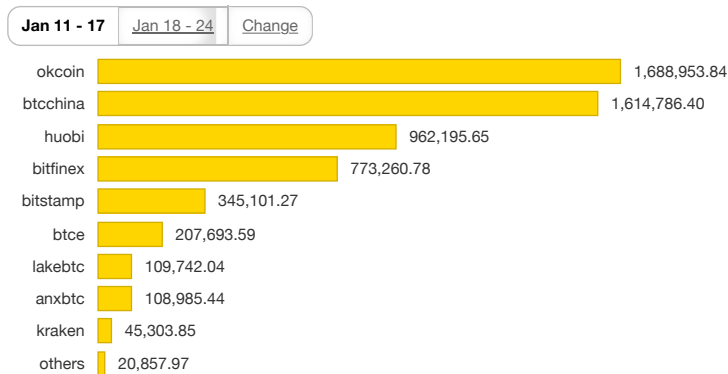
The [BitMEX trading newsletter](#) suggests that shorts and day-traders may be in for leaner times. It's a market that looks ripe for old-fashioned bitcoin buyers who want to hold their digital currency long term.

"For long-term holders of bitcoin, I argue that now is a perfect time to jump back in the water," newsletter author and [BitMEX](#) chief executive Arthur Hayes writes.

Volume issues

Bitcoin trading volumes by exchange

Trading volumes in BTC



Source: [Bitcoinity](#) [Get the data](#)

A note about volume data. This column uses Bitcoinity as the source of volume data across exchanges. Bitcoinity's aggregation function appears to under-counting volume data in the hours immediately after a given period. Therefore, the weekly volume data period has been shifted back by a day to account for this lag.

I am in touch with Bitcoinity's Kacper Ciesla about this issue and he is looking into it.

Another potential issue readers may wish to note is ANXBTC's volume data. Its 10 currency pairs show nearly identical trading volumes. The same data is shown on both on Bitcoinity and other sources, like Bitcoin Charts. This suggests the exchange is reporting these numbers through its API.

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Got a news tip or guest feature?

A BEGINNER'S GUIDE TO BITCOIN

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- What is Bitcoin?**
:s a decentralized digital currency
- Why Use Bitcoin?**
:s fast, cheap to use, and secure
- How Can I Buy Bitcoins?**
:rom an exchange or an individual

NeuCoin

Both these data issues were brought up by [Kraken's](#) director of content, Brian Bowman, who wrote in about last week's column, which named Kraken among the top exchanges by volume after pushing out LocalBitcoins.

Bowman told CoinDesk Kraken's data is higher than shown on Bitcoinity because some trading pairs aren't accounted for and Bitcoinity's aggregation feature may not be functioning correctly.

New challengers

Now, on to the volume data itself. After a big week, exchange volumes have fallen sharply. The US dollar exchanges seemed to be hit hardest, with Bitstamp leading the way with a 64% drop in volume, followed by Bitfinex at 56%.

Among Chinese exchanges, BTC China appears to be attracting the punters. It has claimed top spot in three of the last four weeks, beating rivals OKCoin and Huobi. OKCoin is never too far behind, although Huobi appears to have fallen off the pace somewhat.

With the Winklevoss exchange, aptly named Gemini, in the works and the latest news that Coinbase is abandoning its brokerage model in favour of [operating a full-blown exchange itself](#), expect to see serious fluctuations in how trading volume is distributed in the coming months.

US-dollar platforms that don't offer advanced features like leverage or derivatives may find themselves facing the Coinbase machine head-on.

UPDATE (2nd February 2015): ANX has clarified that it operates a "blended" order book that shows the total volume done for all currency pairs. As a result of the way Bitcoinity handles ANX data, it has over-stated the total amount of volume done by ANX.

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Grustira · 2 months ago

Hi guys,

I come from the future and just want to say that \$300 is a joke.

From where I come from, current price is above \$100,000.

So, one advice: buy anything below \$10K.

20 ^ | v · Share ›

John Law Mod → Grustira · 2 months ago

Does everyone have hoverboards?

7 ^ | v · Share ›

Dario → John Law · 2 months ago

Only those who bought in early

6 ^ | v · Share ›

AlexVela → Grustira · 2 months ago

how's the gender situation? is there still a men, female? can u tell the difference of who is women or men? do you have 2 penises? i heard that's popular in the future... 3 tits?

1 ^ | v · Share ›

Jeff Perkowitz → AlexVela · 2 months ago

I would also like to know this.

2 ^ | v · Share ›

Mitzplik → Grustira · 2 months ago

Looks like magic pills will be invented in the future. :)

^ | v · Share ›

Px Rune → Grustira · 2 months ago

why not buy anything below 100k when the price is above 100k?

i rly dont get your advice, why should i buy at 20k?

^ | v · Share ›

Guest · 2 months ago

Aaaaand it's gone. Obviously had nothing to do with Coinbase. Just going to throw that out there.

5 ^ | v · Share ›

leahyd → Guest · 2 months ago

Personally I do think the growth was due to Coinbase news... the dumping is due to stupidity, greed, bots and panic... growth is slow and painful, dumping is always immediate, severe, and cascades, resulting in sheep like behaviour.

1 ^ | v · Share ›

kevkos30 → Guest · 2 months ago

Could be a lot of reasons combined. Now that it's back south of 270, might be a good time to pick up a few coins.

^ | v · Share ›

madtechnician · 2 months ago

This is because of the situation in Greece.

2 ^ | v · Share ›

vortex → madtechnician · 2 months ago

Greece is not the single soul reason, there is never just one single reason...Coinbase was surely also a part of this rise.

4 ^ | v · Share ›

vortex · 2 months ago

By end of year the top US exchanges will support all 50 states bringing a large amount of bitcoin liquidity to the country which will also inherently create more demand which is great for all the US startups that got investment last year.

1 ^ | v · Share ›

max · 2 months ago

This is already old news. We're down to 280 in 15 mins since the start of coinbase exchange.

1 ^ | v · Share ›

Johnnytwosack · 2 months ago

All the sheep shorts are now pi\$\$ed. I am laughing at all of you holding your worthless positions. Onwards and upwards.

^ | v · Share ›

leahyd → **Johnnytwosack** · 2 months ago

And unfortunately the shorts will be forced to sell to cover their positions, which will cause further pain to everyone else. Those that introduced leveraged shorting (especially BitFinex) deserve to be shot for their greed - Bitcoin adoption is nowhere near big enough to survive the get rich quick spivs, and will not achieve wider adoption while the price is constantly under attack.

I cannot understand how people can say 'it is not about the price' - as a medium of exchange, it is ALL about the price, as can be seen by the newspaper coverage of the last collapse. That is the news that sticks in peoples minds, and most people wont touch it with a bargepole now, so the wider adoption that would make Bitcoin less susceptible to the flash crashes caused by speculators is not happening. Unfortunately, people wont adopt Bitcoin because the underlying technology is 'elegant'.

^ | v · Share ›

Humboldt10 → **leahyd** · 2 months ago

Shorts buy to cover when the price goes up and they want to close their positions out. The price can go up dramatically if there is a short squeeze and the shorts are desperately trying to buy back what they don't own in order to stem large losses.

^ | v · Share ›

Mike Kane · 2 months ago

Joon, this is great news for bitcoin, and reflects recent very positive sentiment in the community after the January swoon, as was seen in a recent Hedgeable study- <https://www.hedgeable.com/rese...>

^ | v · Share ›

leahyd → **Mike Kane** · 2 months ago

Mike - I am not sure what you mean is good news for Bitcoin - have you seen the subsequent dumping that happened after this article was released...?

^ | v · Share ›

leahyd · 2 months ago

Sadly, the profit takers woke up this morning, and saw a big opportunity to feck things up for everyone else.

Cue the rapidly cascading sales from manipulators, speculators, bots, panic sellers etc.

From watching todays price on Kraken:

Say you have 1000 BTC to sell.. the price is rising, and seems stable in a growth trend...if you sell it at say 50 every 5 minutes, the Bitcoin price stays reasonably steady, as the buys restore the price level fairly quickly, and you make a fair amount of money in about 90 minutes.

If you dump it all in one go, you end up with less money, as you drive the price way down and you end up selling at about 40 Euros off the top of the price range. Typically this doesn't allow time for the buys to restore the price, and someone elses bot panics seeing the price drop, and sells at the low end, as a cascading sell. The price is rebased at a considerably lower rate. Now the market is spooked, and everyone is too scared to buy, as every little price movement upward is followed by someone panic selling.

The strange thing is, I didn't even see the logical buy back that the original people who dumped and caused the lower price, so I guess it was somebody that isn't manipulating for profit, it is literally just dumping.. maybe a miner..?

^ | v · Share ›

Smik · 2 months ago

Coinbase needs to go. Anything that is accepted by the old guard needs to go.

^ | v · Share ›

Humboldt10 · 2 months ago

Bear trap?

^ | v · Share ›

← | → · Share ›

IAMNOT → Humboldt10 · 2 months ago

Noit bru, price will hopefully return to the norm, many are still waiting for the \$150 buy zone again.

^ | v · Share ›

Michael · 2 months ago

Resume of the LT trend down

^ | v · Share ›

vortex → Michael · 2 months ago

Actually the long term trend is up if you start at the beginning, but cherry picking price dates misses the whole point of what bitcoin really is.

6 ^ | v · Share ›

Michael → vortex · 2 months ago

Lets talk each other again @ single digits. Of course this is still UP if you take in account that bitcoin started at pennies of the dollar.

1 ^ | v · Share ›

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