

Bitcoin price skyrocketed to near record levels, becoming a hot topic on Chinese social networks despite the ban

Bitcoin headed for its biggest monthly gain in more than three years on February 29 and neared a record \$69,000, after inflows into listed Bitcoin funds fueled a sharp rally.

Bitcoin, the most valuable cryptocurrency by market capitalization, was firm in morning trading on February 29 in Asia at \$61,692, after trading as high as \$63,933 overnight. Bitcoin's monthly increase is more than 45%, the largest since December 2020.

This growth follows Ethereum, the world's second largest cryptocurrency, currently trading at \$3,429, up 50% in February.

Tony Sycamore, analyst at brokerage firm IG Markets, said the momentum suggested 'a test and potential break' of the record \$69,000. This would take Bitcoin past the record level set during the cryptocurrency's peak days in November 2021.

The head of Coinbase Global said the cryptocurrency exchange is facing a spike in traffic.

The approval and launch of spot bitcoin exchange-traded funds (spot bitcoin ETFs, or spot bitcoin exchange-traded funds) in the US this year has opened up the asset class to new investors and stimulated growth, reawakening the excitement that was lost when Bitcoin prices plummeted during the 'crypto winter' of 2022.

LSEG (London Stock Exchange) data shows that inflows into the 10 largest bitcoin ETF spots brought in \$420 million on February 27 alone, the most in nearly two weeks. The three most popular platforms, operated by Grayscale, Fidelity and BlackRock, saw volume spikes.

Traders have also poured money into Bitcoin ahead of the halving event in April. It is a process that takes place every four years, in which the token rate is halved, along with rewards given to bitcoin miner.

Bitcoin supply is limited to 21 million, of which 19 million have already been mined.

Additionally, the prospect of a series of interest rate cuts by the Federal Reserve in 2024 has left investors hungry for higher-yielding or more volatile assets.

Volatility in the foreign exchange market has fallen to its lowest level in two years, and the US stock market volatility index is returning to pre-COVID-19 levels.

Bitcoin is a hot topic on Chinese social media despite the government's sweeping ban

The skyrocketing price of Bitcoin has attracted increasing attention and chatter among internet users in China, where some cryptocurrency-related activities persist despite a sweeping ban from the government.

Bitcoin has increased more than 20% in the past 5 days, making it a trending topic on all major Chinese social media platforms.

At one point on February 27, Bitcoin ranked as the 11th most searched term on microblogging service Weibo. Bitcoin's popularity also increased by more than 358% compared to February 26 on super app WeChat, according to the official WeChat index of Tencent Holdings, which tracks keyword attraction on in-app search activities. , videos, livestreams and blog posts.

This comes after Bitcoin's popularity on WeChat skyrocketed 676% on February 13, the day the cryptocurrency hit the \$50,000 mark for the first time in more than two years.

Bitcoin has been soaring since early February after remaining below \$30,000 for much of 2023, following a cryptocurrency market downturn in 2022.

Boosted by the launch of spot bitcoin ETFs in the US in January, Bitcoin is currently trading at \$61,692 after hitting a record high of \$69,000 in November 2021.

The strong interest among Chinese social media users in the skyrocketing price of Bitcoin reflects that a community of cryptocurrency enthusiasts in the country continues to grow, despite Beijing's tough stance. with all activities related to this digital currency.

According to a Reuters report in January, investing in cryptocurrencies has recently become more attractive to some people in China, as the country's stock market continues to plummet amid economic difficulties.

Cryptocurrency trading through several major exchanges is still active in China. Cryptocurrency traders in the country use a range of solutions to get around the loosely applied restrictions.

Despite warnings on its website, Binance allows Chinese users to create accounts and trade on the exchange through a number of workarounds, according to tests conducted by the SCMP site.

However, the Chinese government has increased its oversight of all cryptocurrency-related activities over the years, citing risks to financial stability.

China is addressing money laundering risks associated with cryptocurrencies, despite backing Hong Kong's ambitions to become a major hub for virtual assets.

In research firm Chainalysis's ranking of cryptocurrency adoption in 20 major countries, China takes the 11th position in 2023 after ranking 10th in 2022.

China's ranking for trading volume on centralized cryptocurrency exchanges dropped to 10th in 2023 after ranking second in 2022. However, Chainalysis said the country ranked 13th. in peer-to-peer cryptocurrency trading volume in 2023, up from 144th place in 2022.

Before FTX collapsed in 2022, Chinese traders made up 8% of the platform's user base, according to the US company's bankruptcy filing.

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