

Cryptocurrency: The chameleon commodity

By [Daniel Kibel](#)

5 Oct 2020

The cryptocurrency market is still relatively new and it has completely changed the trading landscape. Regulations are still quite lax in the crypto space and it's a particularly volatile commodity. But it rose to widespread popularity almost overnight and has seen an unprecedented boom during the pandemic.



Shutterstock

Calls to order

"The ever-growing popularity of digital currencies like Bitcoin has caught the attention of regulatory bodies and oversight. And countries like China are counteracting crypto by rolling out digital versions of their currencies.

Meanwhile, German, French, Italian, Spanish and Dutch finance ministers are calling on the EU to impose stronger digital currency regulations to protect monetary policy and EU consumers. The result of the European hearing may set a precedent, paving the way for a new global standard. So, we may see some drastic change coming soon.

Global crypto standards

The South African cryptocurrency exchange is called Luno. It was established in 2013 and is based in London. Luno was recently acquired by the New York-based Digital Currency Group (DCG), which has backed more than 160 blockchain companies in 35 countries.

As more central banks jump onto the digital currency train, there is the possibility that a new global digital currency might be on the horizon. That may ultimately bring about the downfall of the almighty dollar and stabilise the global monetary system.

Trading in crypto – the upsides

There are a few distinct advantages to trading in cryptocurrency.

Buying crypto and holding onto it may be a viable passive investment. But trading Bitcoin also means you can speculate and potentially profit regardless of whether the price goes up or down.

Ultimately, the volatility of cryptocurrencies is what makes it such an interesting and exciting space to trade in. Quick price changes can bring increased risk but also potentially higher returns. Ultimately, if you would like to get involved in the cryptocurrency space, begin with thorough research on the current trading environment. And most importantly, partner with a reputable trading company.

The cryptocurrency world is never boring. It's more fluid than most other commodities in that it's a fledgling economy unto itself that is changing almost daily. And its unpredictable nature is exactly what makes it so appealing.

ABOUT THE AUTHOR

Daniel Kibel is the co-founder of QMTrading.

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