



## Facebook Inc. Bans Bitcoin Ads: Is This the Beginning of the End for the Cryptocurrency?

### Description

**Facebook Inc.** (NASDAQ:FB) recently announced that it would be banning ads that promote Bitcoin and other cryptocurrencies. The company continues to fight fake and misleading ads, and Facebook's product management director Rob Leathern stated, "We've created a new policy that prohibits ads that promote financial products and services that are frequently associated with misleading or deceptive promotional practices, such as binary options, initial coin offerings and cryptocurrency."

By disallowing ads related to the cryptocurrency, that will limit the range of people that Bitcoin is able to reach, and that will have a negative impact on buying activity. As a result of the news, Bitcoin was down again as the cryptocurrency looks poised to finish the month at less than US\$10,000. Bitcoin started 2018 at over US\$13,000 and has since gone on to drop more than 25% in value. The last time that the cryptocurrency regularly traded under US\$10,000 was back in November, except it was on the way up, not down.

### Is the bubble bursting?

Since reaching a peak price of ~US\$19,000 in mid-December, Bitcoin's price has been cut in half amid concerns that countries will start tightening up rules around cryptocurrency trading, and now with Facebook banning its ads, it could be on a long ride down. Even renowned value investor Warren Buffett [recently proclaimed that Bitcoin would see a bad end](#), and we may be seeing that happen sooner rather than later.

The problem with Bitcoin is that a lot of its price has been built off speculation, and with a lot of negative news around the cryptocurrency lately, and a big sell-off taking place, it could be a nasty ride down for people that bought in when it was trading well over US\$10,000.

**Hive Blockchain Technologies Ltd.** ([TSXV:HIVE](#)), perhaps the most popular blockchain stock in Canada, also saw a big sell-off on Tuesday with its share price dropping 12%, and it too is down more than 24% to start 2018.

## Markets as a whole down lately

However, before investors start hitting the panic button, it should be noted that the U.S. exchanges have taken a beating recently. On Tuesday, the Dow Jones was down over 360 points and that was after it was down more than 170 points on Monday. The TSX has also been down nearly 300 points to start the week. It's unclear what's behind the pessimism lately, and that makes it harder to predict where the markets will be headed, and that also means it's too early to tell what the impact will be on Bitcoin and related blockchain stocks.

## Takeaway for investors

This should serve as a reminder to investors about the dangers of speculating in cryptocurrencies and other high-risk commodities and stocks. Although it may not be fun or exciting to invest in safer, less volatile stocks, it does provide investors with less of a roller-coaster ride. It'll be interesting to see where the markets go from here, and we should see some sort of a rebound, as investors look to pick up bargains that have been oversold. However, whether that means cryptocurrencies will also get a boost remains to be seen.

In the meantime, investors might be better off looking for safer, [recession-proof stocks](#) to put their money in.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NASDAQ:META (Meta Platforms Inc.)
2. TSXV:HIVE (Hive Blockchain Technologies)

## PARTNER-FEEDS

1. Msn
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