



## Bitcoin Investors: Why You Should Be Getting Out Now

### Description

Bitcoin was roaring last year with returns north of 1,400%, but much has changed in 2018. The cryptocurrency is down nearly 40% since the start of the year, and after reaching nearly US\$20,000 in December, Bitcoin is trading at less than half of that figure. As of Wednesday, its value had fallen below US\$8,000, and more of a decline could be on the way.

Earlier this year, **Facebook Inc.** (NASDAQ:FB) distanced itself from cryptocurrencies when it announced that it would [no longer run ads](#) related to the high-risk products. Without advertising on the world's largest social media platform, it will be very difficult for cryptocurrencies to generate the hype and excitement that fueled much of Bitcoin's growth last year. However, it doesn't end there, as this week **Alphabet Inc.** ([NASDAQ:GOOG](#))([NASDAQ:GOOGL](#)) also announced that cryptocurrencies would not be advertised on Google either, which is yet another blow to cryptocurrency trading. The ban is set to start in June and will also include advertisements related to initial coin offerings.

### Why this is bad news to Bitcoin investors

Facebook and Google are two of the best ways you can promote a product or service, and with both wanting nothing to do with cryptocurrencies, it's going to be much more difficult to spread news and draw interest from potential investors. The more people that get interested in Bitcoin, the more likely that its value will grow, but in this case, we're likely going to see the opposite. Fewer buyers means less liquidity, which means selling could be more difficult and force current holders of cryptocurrencies to sell at lower prices to salvage their position as much as possible.

### The party is over

There is little, if any, rational reason to expect that Bitcoin will return to the absurd highs that it reached in 2017. Any hype surrounding cryptocurrencies will be limited to back channels, and it'll be very difficult to get new investors aboard, while many may not want to jump on the [roller coaster](#) again, as many people that bought Bitcoin in the past few months have likely incurred significant losses.

### High-risk investments generate a lot of volatility

When it comes to high-risk stocks and commodities, speculation can play a significant role in price, and that can take investors on some wild swings along the way. **Hive Blockchain Technologies Ltd.** ([TSXV:HIVE](#)) is probably the most well-known blockchain stock in Canada, and after rising more than 250% in less than four months of trading last year, it has crashed more than 60% in 2018. However, this isn't the only speculative industry that has seen sell-offs this year. Pot stocks have also seen some big corrections after enjoying significant increase in value last year. **Aphria Inc.** (TSX:APH) has been one of the worst-hit stocks in the industry with its share price losing a quarter of its value so far this year.

### Bottom line

It may be tempting to jump aboard the bandwagon and assume that a commodity or share price will only continue to rise, but it's a dangerous way to invest. While you might get lucky and accumulate some big gains, those profits can just as quickly turn into losses.

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