



## 4 Positive Developments for Blockchain Tech and Cryptocurrencies in 2018

### Description

In 2017, cryptocurrencies and the decentralized network that enables them were thrust into the mainstream. Bitcoin staged a stunning rally that saw it go from a \$1,000 valuation in January to \$20,000 in December 2017.

This year has been a different story. [Bitcoin and other cryptocurrencies have been battered](#) as a number of nations have taken aim at cryptocurrency exchanges. Like cannabis, cryptocurrencies attracted many new retail investors because of said mainstream exposure, which may have resulted in devastation for newcomers.

Investors should not sour on the market just yet, however. Let's look at four positive developments for cryptocurrencies and blockchain technology development in 2018 thus far.

### Legitimization of digital currencies

Skepticism abounded among experts and analysts because of the uncertainty behind exchanges. Coinsquare, a Canadian cryptocurrency platform that's eyeing an IPO in September, has poked fun at this perception in its recent ad campaign. Countries like China, India, and South Korea have moved to shut down exchanges, but the market is gaining legitimacy in the developed world.

Bitcoin futures markets were introduced at the end of the fourth quarter of 2017. **TMX Group Ltd.** ([TSX:X](#)), the Toronto-based company that operates the Toronto Stock Exchange, announced in March that it would launch a cryptocurrency platform focusing on bitcoin and ethereum. TMX hopes to capture between 2% and 5% of the global over-the-counter trading in the cryptocurrency market.

### The bitcoin miner migration

China was a dominant force in bitcoin mining, but a national crackdown now threatens the industry. At the beginning of 2018, China accounted for more than two-thirds of the global processing power devoted to bitcoin mining. The Chinese central bank has moved to cut the electricity supply to miners going forward.

Canada has emerged as a [hot destination for bitcoin miners](#) in 2018. This is largely because of the cheap and reliable supply of electricity offered in many parts of Canada. The Government of Canada has been relatively warm on the idea, and has dedicated efforts to studying blockchain technology internally.

### ICOs have posted impressive growth in Q1

The precipitous drop in bitcoin and other cryptocurrency prices has not slowed down coin offerings in 2018. Monthly reports of initial coin offerings show that each month of 2018 has shown ICOs exceeding December 2017 levels. Telegram Messenger LLP, a London-based instant messaging and voice-over IP service, launched the largest-ever ICO offering, raising \$1.7 billion as of April 20. Telegram's ICO funding accounted for a quarter of the total in the first quarter.

### Major banks developing blockchain technology

Perhaps the most encouraging sign for the development of blockchain itself is the large number of major institutions that are investing in it. **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) has been an early adopter. In a patent application released in March, Royal Bank outlined a platform built on a blockchain that would generate credit ratings using a customer's historical and predictive data.

**HSBC Holdings Plc**, the seventh-largest bank in the world, announced in May that it had completed the world's first finance transaction using blockchain. The exchange was reportedly performed in 24 hours and used a platform developed by blockchain start-up R3 called Corda.

### CATEGORY

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1. NYSE:RY (Royal Bank of Canada)
2. TSX:RY (Royal Bank of Canada)
3. TSX:X (TMX Group)

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aocallaghan

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