



## Bitcoin Price COLLAPSES IN MINUTES as Volatility Spikes!

### Description

Yesterday, the price of Bitcoin collapsed with record speed, falling 15% in the span of just 20 minutes. As of this writing, the price had begun to recover, but with the situation unfolding minute by minute, it's hard to say what the long-term trajectory is. As I wrote last week, the narrative that Bitcoin is “digital gold” has suffered a major setback, as its price has fallen even more than stock indexes have. Nobody can tell exactly how this is going to end, but with volatility at all-time highs, Bitcoin isn't looking like the best store of value for a turbulent time.

### A stunning 42% decline

At its lowest point last night, Bitcoin had fallen 48% over a five-day period. The price really started tumbling about 10:30, when it fell from \$8,170 to \$5,740 — a 42% decline. In one particularly dramatic moment, it fell 15% in just 20 minutes. Shortly after that, the price went on an equally dramatic upswing, but remained down for the week. Bitcoin has always been a volatile asset, but the recent price movement has been particularly erratic, underscoring the panic-stricken environment investors are now operating in.

### Digital gold thesis decimated

Regardless of whether Bitcoin keeps falling, one thing is clear:

It is NOT “digital gold.” In fact, it may be [just the opposite](#). The entire thesis for owning gold during rough economic times is that it's a time-tested store of value. If the internet shut down tomorrow, gold would still have value. In fact, its value could even increase, as investors look for ways to lessen their dependence on the financial system. Bitcoin, however, depends entirely on modern technologies to even be traded. Further, you have to convert it to fiat currency before you can spend it anywhere, which undermines the thesis that it's an alternative to traditional finance.

## Advice: AVOID blockchain stocks!

Whether or not you think Bitcoin is going to bounce back, there's one type of asset you should avoid: blockchain stocks.

Blockchain stocks like **HIVE Blockchain Technologies** (TSX:HIVE) depend on positive sentiment toward crypto to make money. When crypto goes down, [these stocks do, too](#). If you look at HIVE, it makes its money directly off of mining and selling crypto. In that respect, investing in it is a lot like buying crypto itself, the main difference being that HIVE has overhead costs.

Shares in companies that aim to use blockchain for other applications may be more promising. It's well known that asset managers like **Vanguard** are looking for ways to bring the blockchain into mainstream finance. That could bear fruit, but the jury is out. In the meantime, stocks like HIVE are looking like clear losers in today's market. While the TSX's 12% slide yesterday was something to behold, HIVE doubled it with an epic 25% slide. Talk about a doozy. And if Bitcoin continues tanking, you can expect HIVE and others of its ilk to tank along with it.

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