



Cryptocurrency Rebounds as Biden Backs a Digital Dollar

Description

Shares of several cryptocurrency companies saw shares recover some [losses](#) on Wednesday, as United States president Joe Biden signed an executive order to examine the potential for a U.S. digital dollar.

What happened?

Cryptocurrency stocks surged as President Joe Biden announced an executive order for a digital asset rollout. It's a long way from last year, when many worried the government would instead seek to not just regulate but openly come after cryptocurrency like **Bitcoin** ([CRYPTO:BTC](#)). Instead, it seems the reverse is true.

The new order seeks to focus on several areas. Included are protecting consumers and investors, illicit activity, responsible innovation to address climate change, and, of course, competition on the global stage. The news sent companies like **Galaxy Digital Holdings** up 15% at the news. **Hut 8 Mining** and **Voyager Digital** rose 13% and 9%, respectively.

So what?

The news didn't just send Bitcoin and cryptocurrency stocks up; it seems to be opening the door for a new round of opportunity but also worry. Of course, Biden is looking to put America at the end of such an opportunity. But while the White House [facts sheet](#) is surrounded by meaningful rhetoric, there are still worries for true crypto believers to pick up on.

Let's first go over the good ideas. The U.S. looks to protect consumers and investors from the slew of cyberattacks and scams over the last few years. This would also mean going after illegal activity in the crypto space, lending the hand of government agencies. The cryptocurrency move would also be good for climate change, Biden argued, as there is a lot of energy used to create currency. Digital currency, meanwhile, takes less, and the government is looking to bring it down even further.

And, of course, there's the competition angle. Another huge turnaround was China, with the country banning cryptocurrencies last year and replacing it with its own digital yuan. Now, the U.S. is looking to create its own digital dollar. And that is the slippery slope true cryptocurrency believers may not like.

Now what?

The future is cryptocurrency, and countries are realizing this. While that's good news for now, it could mean that central banks and countries try to take over the space rather than fit into it. Bitcoin and other companies may be pushed aside and [regulated](#) further now that the U.S. has entered the space. So, it's something to keep in mind for future investment.

Still, there is one point from this that is certainly positive, and that's protection. The government is now on the side of cryptocurrency stocks when it comes to consumption and investment. That means you won't have to worry about the government seizing cryptocurrency assets, and you can invest with ease.

Shares of Bitcoin rose 10% on Wednesday but have since come down 7% as of writing. Galaxy stock, Hut 8 stock, and Voyager stock are up 10%, 11%, and 7%, respectively.

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