



Why Bitcoin Prices Whipsawed This Week

Description

What happened?

Bitcoin ([CRYPTO:BTC](#)) prices saw a massive sharp rally on Wednesday, as they jumped by over 10% to above US\$40,000 per BTC during intraday trading. However, the most valuable [cryptocurrency](#) in the world turned negative again today. At the time of writing, Bitcoin was down 7% for the day at around US\$39,000 — almost erasing all its gains from yesterday. Let's find out what could be the primary reason for the cryptocurrency market and Bitcoin whipsaw this week.

So what?

In the last few months, Bitcoin prices have seen a sharp correction, as investors remain worried about increasing regulatory crackdowns on cryptocurrencies across the world. While China has already banned all cryptocurrency mining and trading activities in the country, investors fear that the U.S. might also create strict regulations to control cryptocurrencies. These fears are one of the key reasons why Bitcoin prices have consistently been falling lately after hitting their all-time high level near US\$69,000 in November 2021.

On Wednesday, the White House [revealed](#) that U.S. president Biden “will sign an Executive Order outlining the first ever, whole-of-government approach to addressing the risks and harnessing the potential benefits of digital assets and their underlying technology.” This new order focuses on several factors, including protecting consumers and investors and financial stability.

Investors cheered this latest update, as these steps didn't appear as strict for the cryptocurrency market as investors anticipated, triggering a sharp rally in key cryptocurrencies like Bitcoin and **Ethereum**. However, Bitcoin's price today erased most of its Wednesday's gains, as investors continued to speculate about the outcome of Biden's executive order to assess crypto-related risks.

Now what?

If you have been following the cryptocurrency market for some time, you might be aware that such huge volatility is not very uncommon in Bitcoin and other cryptocurrencies. That said, uncertainties related to the outcome of the ongoing assessment in the U.S. market could heighten Bitcoin volatility further in the near term.

However, if you have a high-risk appetite and want to gain from the increasing popularity of cryptocurrencies, Canadian investors may want to consider investing in the shares of crypto mining companies like **Hut 8 Mining** and **Hive Blockchain**. Instead of directly pouring your hard-earned money into the extremely volatile crypto market, investing in such crypto stocks could help you benefit from Bitcoin price trends with relatively fewer risks.

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