

The Crypto Power Struggle: The beginning of the end or the end of the end?

For years, Bitcoin and the broader cryptocurrency market has been associated with illicit activities and financial scams. From Bitconnect to the now disbanded Silk Road marketplace, cryptocurrency's negative reputation boiled over when Sam Bankman-Fried (SBF), long regarded as the industry's poster boy, was convicted of money laundering and wire fraud for his involvement in the collapse of FTX. This left numerous cryptocurrency skeptics to predict the beginning of the end for the industry, with the FTX scandal as the final nail in the coffin.

Fast forward a few weeks after Sam Bankman-Fried's conviction, Binance's former CEO Zhao Changpeng pleaded guilty for failing to prevent money laundering on the Binance platform. This proved to be a critical moment in the cryptocurrency industry as many doubters thought and were even hoping that Zhao Changpeng's guilty plea was the beginning of the industry's demise. However, an unexpected trend that happened after Zhao Changpeng's guilty plea saw Binance's BNB token rally by 10% from the previous month's price levels even though the price sits 60% below BNB's 2021 peak. Even though the larger cryptocurrency industry is worth only half of 2021 valuations, the overall industry has grown by 50% from the historic low of 2022. This proved that the cryptocurrency market remains active and robust albeit with smaller valuations.

To date, the cryptocurrency market has been driven largely by individual retail investors or highly specialized funds. However, if the wider industry is aiming to grow even bigger and play a role in the modern finance industry, it needs to widen its appeal, particularly to large financial institutions. This led many industry experts and cryptocurrency enthusiasts to theorize that the United States Government's crackdown on Binance was a quasi-clean-up of sorts to formerly "sanitize" the industry before the industry is accepted into the mainstream financial system. Additionally, this theory is further supported by the impending approval of BlackRock's application to the SEC for a formal institutionalized Bitcoin ETF. If approved, this could see renewed enthusiasm and hype around the industry which could significantly boost the price levels of all coins and tokens across the board.

Considering all these factors that are coming into play and the looming Bitcoin halving event, many investors in cryptocurrencies have been speculating the price of Bitcoin which is highly regarded as the main benchmark of the industry. While there have been numerous wildly differing

predictions on the potential price movements on Bitcoin, Standard Chartered's price predictions for Bitcoin seem to be the most sensible. Standard Chartered has

predicted that Bitcoin's price will close at USD\$50,000 by 2023 and more than double in value to USD\$120,000 by the end of 2024 to a new historical high.

While no one will certainly know the eventual price movements of Bitcoin or the eventual valuation of the wider cryptocurrency industry, the Bitcoin halving event and the eminent approval of BlackRock's Bitcoin ETF will certainly be beneficial for the growth of the industry. The management at NIACE are following the developments closely and we look forward to the positive developments in the cryptocurrency industry.

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