

## BITCOIN SLIDES TO 2-MONTH LOW AFTER EXCHANGE HACK

The price of bitcoin rose in April from a multi-month low of \$6430 to a high of \$9725. This was a 50% increase in the price as traders expected more demand for the cryptocurrency. Since this time last year, the price of bitcoin has fallen by more than 50%, which is lower than the 1000% gain it made last year.

This weekend, the price declined to \$6530, the lowest level since early April. The decline was attributed to the hack of a small South Korean cryptocurrency exchange known as Coinrail. The hack resulted in the loss of about 30% of the exchange's virtual currencies. 70% of the remaining currencies were stored in a cold wallet, which is not connected to the internet.

After the hack, the market value of cryptocurrencies declined by more than \$42 billion. South Korea is one of the largest cryptocurrency trading centres and is home to world-leading exchanges such as Bithump which has exceptionally high transaction volumes.

The hack highlighted the need for tighter regulations globally. In recent months, a number of cryptocurrency-related hacks have been reported and hackers are continually attempting to attack prominent exchanges like Coinbase.

The BTC/USD pair is currently trading at \$6757, which is slightly higher than yesterday's low of \$6530. It is trading below the 60 and 100-day moving average, with its RSI near the oversold level. The pair could reverse its downward trend as bulls take over. This could see the pair test the 60-day moving average at \$7350.

