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CNNMoney: Speculators Seek to Profit From Woes of Mt. Gox Bitcoin Exchange

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The recent trouble suffered by the Mt. Gox bitcoin exchange has offered an opportunity for speculators.

Mt. Gox, based in Tokyo, has frozen withdrawals of the currency, after discovering a software problem that could give thieves access to customers' accounts. And some account holders fear they'll never get their bitcoins back, according to **CNNMoney**.

The turmoil has sent the bitcoin price plummeting on Mt. Gox, but it remains much higher elsewhere, which creates the speculative opportunity.

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The bitcoin was quoted at \$131.97 on Mt. Gox Thursday midday, compared with \$577.49 at CoinDesk.

So speculators are buying the rights to bitcoins from Mt. Gox customers who fear they'll never recover them, CNNMoney reports.

Traders should make out big if the Mt. Gox bitcoins are released, unless the overall value of the bitcoin plunges before then. Of course the speculators are stuck high and dry if the Mt. Gox bitcoins are never unfrozen.

Josh Jones set up an exchange, bitcoinbuilder.com, for people to purchase rights to Mt. Gox bitcoins. "It's an uncertain time, and I think there's money to be made and lost," he tells CNNMoney.

Despite bitcoin's recent turbulence, it is in some ways better than standard currencies, says Campbell Harvey, professor of international business at Duke University.

"The transaction costs are very low, there's no fraud, there's no counterfeiting, there's no double spending, there's no centralized authority to do this," he tells **John Bachman on "America's Forum" on Newsmax TV**. "It's extremely secure. It's essentially unhackable."

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