

Bitcoin gets its first major U.S. exchange



(Yoshikazu Tsuno/AFP/Getty Images)

A bitcoin medal is displayed at a bitcoin trading club meeting in Tokyo.

by ***Mitchell Hartman*** (</people/mitchell-hartman>)

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On Monday, Bay-Area startup Coinbase launched the first major U.S.-based licensed exchange for the online currency bitcoin.

Other major exchanges are based abroad, and other U.S.-based exchanges have limited liquidity and are not able to handle transactions in as many states as Coinbase can. Coinbase is backed by more than \$100 million in investment from banks, venture capital firms and the New York Stock Exchange.

Coinbase says it will allow money managers, institutional investors, businesses and individuals to trade bitcoins with a degree of price stability and reliability that has so far been lacking for the up-and-coming virtual currency.

“We’ve got this respected exchange, that’s in the U.S., that isn’t in Slovenia or someplace in Japan,” says Campbell Harvey, a Duke University finance professor. “It will provide a benchmark for pricing and presumably will lead to lower volatility. Given that bitcoin is still a nascent technology, a lot of people don’t fully understand it or trust it. This gives a degree of comfort.”

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