

Bitcoin Tops \$1,700, Hitting a New All-Time High

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Bitcoin continues to hit new all-time highs, and this time it has added \$1 billion in market cap in less than 24 hours, according to data from [CoinDesk](#).

Bitcoin prices as measured by the site stood at \$1,718 as of Tuesday morning. The rise in value for the alternate virtual currency has been staggeringly swift. One year ago at this time, one unit of bitcoin was worth about \$450. The value of bitcoin rose to [over \\$1,000](#) by the end of the year, and then retreated to the low \$900s in late March. Since then, prices have nearly doubled and keep [breaking record highs](#), a phenomenal surge not seen since the fall of 2013.

[Gold prices](#), meanwhile, stand at \$1,225, which isn't much different than they were [one year ago](#).

The surge in bitcoin is being driven by a number of factors, according to Charles Bovaird, Lead Markets Writer for CoinDesk.

Some market observers have [pointed](#) to macroeconomic uncertainty in regions like Europe, where the fate of the European Union seemed increasingly uncertain leading up to the recent French presidential election, Bovaird explained in an email to *Money*.

Other analysts have [noted bitcoin value rose](#) after Japan's decision last month to begin recognizing it as a legal method of payment, he said.

"Developments like these help legitimize bitcoin, helping the cryptocurrency further establish itself as a medium of exchange," Bovaird said.

Bitcoin prices are rising alongside a general surge in prices of other cryptocurrencies or "altcoins." Coindesk notes the currencies are collectively [up 600% since March](#).

Bitcoin watchers are divided about whether the currency is in a bubble.

As *Money* has previously [reported](#), although bitcoin had a more than 100% return on investment in 2016, it's also five times more volatile than the S&P 500. Campbell Harvey, a professor of finance at Duke University, who describes bitcoin as "an extremely risky investment."

"I would never recommend this on a stand-alone basis," Harvey said.

Some are already predicting a short-term correction — but one that might not last long.

"I'm not worried about bitcoin," Andrea Medri, founder and CFO of bitcoin exchange The Rock Trading, [told CoinDesk](#). "Most likely we will see a correction, but the long-term trend has been and will be always up."