Shock, Hustle, and After-shock Predictions About Coronavirus (Covid-19) on Cryptocurrency

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Since December 31st, 2019, the disease- Coronavirus (COVID-19) has been affecting thousands of people. The heavy majority of the affected unfortunate people (98 percent) are reported to be from China. Reports reveal that its first outbreak started in Wuhan, Hubei province of the country. The dangerous virus has, by far, caught hold of more than 100,000 cases all over the world.

Reports by the World Health Organization:
The WHO (World Health Center) is warning against the sustained transmission of the virus. The hysteria around the virus is also at its peak. On March 4th, WHO Director-General Dr. Tedros Adhanom Ghebreyesus said-

“[...] But as you know, even as the Ebola outbreak is winding down, the epidemic of COVID-19 is becoming increasingly complex. There is now a total of 92,943 reported cases of COVID-19 globally and 3,160 deaths. In the past 24 hours, China reported 120 cases. Most cases continue to be reported from Hubei province. Outside China, 2075 cases were reported in 35 countries. Almost 90% of those cases are from just three countries. WHO now has a team on the ground in Iran to deliver supplies and support the government in the response.”

Effects of Coronavirus (COVID-19) -induced volatility in the crypto market:

The disease has also been seen affecting the world economy along with global health. The traders are facing Coronavirus (COVID-19) -induced volatility in the market. Many are stunned by the fear of the world economy to slow down, which is, therefore, affecting the stock prices to dip down. Reports suggest that the S&P 500 index has gone red with 10% since Jan 2020.

On the contrary, the trading volume of crypto OTC (over-the-counter) has seen a spike. As per a trader, at Chicago’s Althena Investor Services, the market has seen a ‘significant uptick’ when it comes to trade volumes in the last 60 days. The platform specializes in OTC Clients’ services. Many other major crypto exchanges have also reported the same uptick movement in the trade volume in the past weeks.
Different takes on Coronavirus (COVID-19) - stimulated economy affects:

The Coronavirus (COVID-19) has affected more than 90 countries around the world.

Australia:

This country is quite close to Asian countries. So, the chances of the virus spreading there were expected to be high. In response to this, on March 3rd, the RBA (the Reserve Bank of Australia) exercised cuts in interest rates for handling the probable market reactions on the Coronavirus (COVID-19) epidemic. The RBA will be cutting 25 basis points (bps) to 0.50 percent, which is the lowest percentage recorded by far.

Further, Tilo Grieo, the head of the OTC desk at ORTUS, Sydney, has assured that there have been no noticeable effects in the country.

Coronavirus (COVID-19) has not affected the Chinese crypto mining industry too much:

The COO of Conflux- YuanJie Zhang explained how most of the company’s budget is being spent on ‘containing the virus.’ As per him, the Coronavirus (COVID-19) has not affected the Chinese crypto mining industry that much. He explained:

“I don’t think it is a big risk for the mining farms because mining farm does not take a lot of employment. I think most of those private money farms, they continue to work and they don’t hire a lot of people. That is not something that requires a lot of face to face contact in order to be managed.”
After-shock of Coronavirus (COVID-19) on cryptocurrency:

Reports reveal that the Chinese economy is expected to slow down and that the citizens of the country prefer to save their saying to USDT or DAI. But the professor of international business at Duke University- Campbell Harvey, begs to disagree. According to him, given the traditional is facing a major dip, the crypto market too will see steep falls. As per him, crypto is “not a safe haven.”

‘Not holding volatile crypto,’ as a strategy:

Traders are considering not holding the volatile cryptocurrency as an answer to prepare for the Coronavirus (COVID-19) affect on the crypto market. On this, Althena’s OTC desk explained that they are managing a ‘very tight inventory’ and a ‘matched book’ to steer away from Coronavirus (COVID-19) to affect the trade. On this, Rupert Douglas, head of business development and institutional sales at Koine said:

“While alternative stores of value like gold and BTC have rallied since the start of the year, they have not fared so well over the last few days. The genie – as in volatility – is out of the bottle, with big swings ahead anticipated in all asset classes.”

The response to the Coronavirus (COVID-19) is a mixed bag. Some are predicting based on the slowed-down effect of the disease on the traditional economy, such as effect on the US and Indian markets, and some are being more optimistic about the crypto economy. Here at CryptonewsZ, the Coronavirus (COVID-19) has not affected the crypto market.