Pro-Crypto Comments From the Fed Chair Begs the Question – Where Do Others Stand?

During testimony Thursday before the House Financial Services Committee, Federal Reserve Chair Jerome Powell dropped a Bitcoin bombshell when he said he does not intend to ban cryptocurrencies or Bitcoin.

The two-hour long meeting was originally intended as a forum for congressional reps to get an update on pandemic preparedness from the Treasury Department and Federal Reserve. However the leaders from the Fed and Treasury fielded several questions about cryptocurrencies.

The most significant exchange of the day occurred between Federal Reserve chair Powell and Rep. Ted Budd (R-N.C.), a member of the Congressional Blockchain Caucus and a staunch crypto supporter. Congressman Budd asked Powell to clarify statements made back in July when the central bank chief said creation of a U.S. central bank digital currency (CBDC) could reduce the need for private stablecoins and cryptos in general.

When representative Budd point blank asked if the Fed head planned to “…ban or limit the use of cryptocurrencies…” Powell’s response was a resounding “No.”

“[I have] no intention of intention to ban them,” Powell said.

However, Powell did say stablecoins need greater regulatory oversight, comparing them to bank deposits or money market accounts.

“They’re to some extent outside the regulatory perimeter, and it’s appropriate that they be regulated,” Powell added. Some activity, some regulation for deposits and money markets,” he said.

That got us thinking at the DailyCoin, it might be timely to draw the Bitcoin battlelines for the market makers and traders to see where they stand. But not the regular pundits such as the Michael Saylor, Warren Buffets, Elon Musks, Jamie Dimons of investing, but rather names you may not have heard from before – traders a few steps down the financial food chain.
Bloomberg has a great roundup article that catalogs the comments of dozens of professional inventors and their respective stances on the topic of cryptocurrencies and Bitcoin over the years. Here are some sample quotes, with corresponding links to their source articles.

BITCOIN BULLS

JEFF CURRIE
GLOBAL HEAD OF COMMODITIES RESEARCH, GOLDMAN SACHS GROUP INC.

“I don’t see why there is all this hostility to it.” Bitcoin is “not much different than gold” because it doesn’t have liability attached to it, by definition, like a security.

TRAVIS KLING
FOUNDER, IKIGAI ASSET MANAGEMENT, A CRYPTO HEDGE-FUND

“It’s too good a store of value to be a good value of exchange. If the expectation is the price is going to increase meaningfully, you don’t want to pay out all of your Bitcoins for everyday use.”

BILL MILLER
FOUNDER, MILLER VALUE PARTNERS

“If inflation picks up, or even if it doesn’t, and more companies decide to diversify some small portion of their cash balances into Bitcoin instead of cash, then the current relative trickle into Bitcoin would become a torrent. Warren Buffett famously called Bitcoin rat poison. He may well be right. Bitcoin could be rat poison, and the rat could be cash.”

BITCOIN BEARS

SHARMIN MOSSAVAR-RAHMANI
HEAD OF INVESTMENT-STRATEGY GROUP, INVESTMENT-MANAGEMENT DIVISION, GOLDMAN SACHS GROUP INC.

“Something with a long-term volatility of 80% can’t be considered a medium of exchange. Just because everybody piles into an idea and talks it up doesn’t mean it’s a store of value.”

CAM HARVEY
SENIOR ADVISER, RESEARCH AFFILIATES

“What’s going to happen to Bitcoin? It’s really unclear. The price is not just driven by the money-supply rule, it’s driven by other speculative forces. That’s why it’s multiple times more volatile than the stock market.”

EDWARD MOYA
OANDA CORP.

“Cryptocurrencies are in trouble. The entire crypto space is selling off. The market carnage of the past few days has investors questioning Bitcoin’s true value.”

On The Flipside

• It doesn’t matter how sound an asset is or how valid its use case — there are always going to be contrarians.
• Don’t be swayed by opinion and hyperbole — unless it’s opinion and hyperbole from a respected source.

Goldman Earnings, Retail Sales, Confidence: 3 Things to Watch

Why You Should Care?

It seems the rhetoric surrounding crypto is often more volatile than the price action. Given this constant state of controversy, it’s important for you to know what your investment goals are, why you want to invest in a specific asset, and for you to conduct your own research. No one cares as much about your investments as you do.

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By Cointelegraph - Oct 14, 2021

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By Cointelegraph - Oct 14, 2021

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By Cointelegraph - Oct 14, 2021

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