

Bitcoin rollercoaster rides on with halving and regulatory legitimacy still to come

 By [Lindsey Schutters](#)

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The Bitcoin rollercoaster ride keeps going, with the world's leading cryptocurrency rising roughly 20% across the week so far. While not yet at its all-time high in dollar terms, the king of cryptocurrencies turned at R1m and showed that Bitcoin's strength is undeniable. Christo de Wit, South African country manager for Luno, attributes part of this rise to the Rand's devaluation against the dollar, bolstering Bitcoin's appeal as a store of value.



The Bitcoin price surge is predicted to continue throughout 2024. Source: André François McKenzie/Unsplash

“The difference is indicative of the rand’s devaluation against the US dollar over the last five years and adds legitimacy to the argument by many proponents that Bitcoin serves as a store of value,” he explains.

This renewed investor confidence is further fuelled by Bitcoin ETFs, attracting \$34bn since their January approval. This institutional influx signifies a significant shift in how traditional finance views cryptocurrencies.

Bitcoin's market capitalisation has also surpassed \$1trn, riding the wave of recent market unrest and inflation concerns. Several analysts predict continued growth fuelled by this bullish sentiment.



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“Another potential reason for the price uptick is the Bitcoin halving expected to take place mid-April 2024. Roughly every four years, Bitcoin rewards paid to miners are cut in half as a way to ensure that an infinite supply of bitcoin doesn’t erode its value further down the line. Each previous halving has historically had a major impact on the price,” says de Wit.

There was an 8,000% price jump after the first and a 3,000% increase after the second. The last halving in 2020 was followed by a bull run culminating in an almost \$65,000 peak.

Change in the altcoin trade winds

Interestingly, Luno has seen a shift in altcoin dominance on its platform, with Solana replacing XRP in the third position. XRP started as the currency for Ripple's alternative to SWIFT. Ripple is currently in court with the US Securities and Exchange Commission (SEC) and has been [requested to provide financial statements for 2022 and 2023](#).

This news has poured water on the idea of a settlement and could be a driving force behind XRP's pricing sitting below the 50-day and 200-day Exponential Moving Averages (EMAs), which are often considered bearish price signals. This could indicate new cycles and patterns emerging in the crypto market.

South Africa's upcoming crypto asset service provider (CASP) licenses are also generating excitement. Out of the [145 companies that initially applied for the CASP license](#), only 50 applications were submitted to the licensing committee in December 2023 and are allowed to operate until the decision has been made.

Binance, a major crypto exchange, applauds the Financial Sector Conduct Authority (FSCA) for this move, viewing it as a positive step for both the industry and South Africans. Regulatory clarity and user protection are crucial for building trust and confidence.

"We acknowledge the value of operating in a stable regulatory landscape and has dedicated considerable time to applying for licenses, registrations, and authorisations across the globe," Hannes Wessels, Binance general manager for Southern and Francophone Africa told *Bizcommunity*.

"We remain committed to working with regulators and policymakers to shape policies that protect consumers, encourage innovation, and propel our industry forward."

Exciting times ahead

Looking forward, the Bitcoin halving's impact on market dynamics remains uncertain. However, Wessels recognises its potential to influence investor sentiment. "While we cannot predict future market movements, we acknowledge the significance of the halving in shaping investor sentiment and behaviour."

He also welcomes the increased crypto activity around the ETF excitement. "The coexistence of direct Bitcoin investment and regulated instruments such as ETFs play crucial roles in offering investors diverse strategies to navigate the cryptocurrency landscape.

"The combination of direct investment and regulated instruments can provide opportunities for investors with various risk profiles and preferences, contributing to the overall growth and legitimacy of the crypto space."



That excitement helped Binance accumulate over 40 million new users (a nearly 30% increase globally) in 2023, despite the company founder pleading guilty to money laundering accusations at the close of the year. [Changpeng Zhao will learn his sentence in April.](#)

While the future remains uncertain, regulatory clarity and responsible innovation are crucial for ensuring the long-term success of the cryptocurrency industry and will drive the Bitcoin rollercoaster throughout 2024.

ABOUT LINDSEY SCHUTTERS

Lindsey is the editor for ICT, Construction&Engineering and Energy&Mining at Bizcommunity

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