



John Hopkins economist: Bitcoin is still “highly unstable” and “speculative”

Nick Chong

November 8, 2020

- Bitcoin has undergone a strong surge since the March lows, rallying as high as \$16,000 from \$3,500.
- Stepping back even further, Bitcoin’s performance is even more impressive.
- Even still, the cryptocurrency has its critics.
- Professor Steve Hanke of John Hopkins University, who is also part of the Cato Institute, says that Bitcoin remains a “highly unstable” and a speculative asset.
- Hanke has been a skeptic of Bitcoin for a while, having made similar comments to the one in the past.

BTC REMAINS “HIGHLY UNSTABLE”

Bitcoin has undergone a strong surge since the March lows. The cryptocurrency has rocketed from the \$3,500 range to \$15,500 over that time frame, meaning a rally of 350% has taken place.

Stepping back even further, Bitcoin’s performance is even more impressive, outperforming basically any other asset class in existence.

Even still, the cryptocurrency has its critics. Professor Steve Hanke of John Hopkins University, who is also part of the Cato Institute, says that Bitcoin remains a “highly unstable” and a speculative asset:

“#Bitcoin has recently outpaced stocks, gold, & other assets. It’s currently trading near three-year highs. Just more evidence that BTC is nothing but a highly unstable & speculative asset- NOT A CURRENCY.”

Hanke has been a skeptic of Bitcoin for a while, having made similar comments to the one in the past.

Some in the space have tried to rebut his sentiment.

Alex Gladstein, the CSO at the Human Rights Foundation and a prominent Bitcoin proponent, once said in response to Hanke:

“Did you know that if I send you Bitcoin, no one can stop us? That no govt or corporation or oligarchy can change its rules? That no one can alter its issuance? That if properly used it is incredibly hard to confiscate or to pair addresses with people? Why deny when you can learn?”

BITCOIN DOES HAVE NOTABLE SUPPORTERS

While Hanke is a critic of Bitcoin, as are other economists and investors in prominent roles, the cryptocurrency does have notable supporters.

Billionaire investor Paul Tudor Jones recently commented that the cryptocurrency is in a similar position now to where Apple and Google were early on in their lives:

“Bitcoin has this enormous contingence of really, really smart and sophisticated people who believe in it. It’s like investing with Steve Jobs and Apple or investing in Google early.”

There are also large corporations backing Bitcoin. Microsoft used the cryptocurrency for a digital ID experiment. Fidelity Investments, the trillion-dollar asset manager, has made notable investments in the space.