

Bitcoin Cash may spell end of Bitcoin

Digital currency Bitcoin will "die a horrible death" in 2018, killed by its rival sister, Bitcoin Cash, says Lorian Gamaroff, CEO and founder of Centbee, a Bitcoin Cash wallet.



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"Bitcoin is slow and expensive and its market share is being eroded by cryptocurrencies that are quicker and cheaper," said Gamaroff, who initially intended Centbee to be a Bitcoin wallet before a user activated a fork led to the creation of Bitcoin Cash in July 2017.

Bitcoin Cash was closer to Bitcoin's original mission to be a peer-to-peer electronic cash system, said Roger Ver, an early investor in bitcoin-related startups.

High fees and slow transaction times would weaken Bitcoin's adoption and market value, Ver, CEO of Bitcoin.com, said at a recent blockchain summit in Hong Kong.

Gravity-defying Bitcoin surged 1,250% in 2017 to a market value of more than \$200bn, as speculators poured into the digital currency. "How to buy Bitcoin" was Google's third-most searched "how to".

The widespread publicity that accompanied Bitcoin's rise has made it difficult for fund managers and regulators to ignore.

Cryptocurrencies would in 2018 emerge from "the nascent stage of being at the fringe", said Farzam Ehsani, blockchain lead at RMB.

"There isn't any central bank or financial institution that isn't thinking about this and what it means for our economy."

Ehsani expected greater regulation of cryptocurrency exchanges, where buying and selling took place, as well as of the interface between cryptocurrencies and regular, fiat currencies.

Regulators will have their hands full. There are more than 1,000 alternative digital currencies to bitcoin, known as "alt-coins". The more prominent ones include Litecoin, Bitcoin Cash, Monero, Cardano, Neo and Ripple.

With a market value on Friday of \$78.9bn, global money transfer network Ripple's digital currency, XRP, surged nearly 35,000% in 2017.

Earlier in 2018, CNBC reported that when XRP hit a high of \$3.84, its co-founder Chris Larsen became one of the five

richest US people on paper.

Monero (XMR) describes itself as a "private digital currency" that uses "stealth addresses to obfuscate the origins, amount and destinations of all transactions".

Monero increased by 2,300% in 2017 and is currently trading at about \$379.

Dizzying as this may sound, Ehsani believes there is potential for a large increase in market value among cryptocurrencies.

At a total value of just more than \$700bn, they remained a relatively small asset class, Ehsani said. At the same time, a lot of cryptocurrencies were "tremendously overvalued".

Cryptocurrencies were too speculative to be an asset class and should not form part of portfolios with a wealth preservation focus, said Deon Gouws, chief investment officer at Credo Wealth.

"Most cryptocurrencies we see launching today are likely to fail, but there's still a lot of money to be made if you can identify the long-term winners successfully and early," said Gouws, who has a personal interest in cryptocurrencies.

"I also believe the identity of such future winners is unknowable today."

Source: *Business Day*

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