

The Impact of COVID-19 on Bitcoin

Overview

As the novel coronavirus continues to spread around the globe and fear envelopes the markets, financial assets are suffering major losses. In addition to stock indices, cryptocurrencies have seen their worst month in a year, with Bitcoin falling almost 50% on March 12, having only slightly recovered until now (April 1).

Supporting Data
Move to Research Basket

Bitcoin has tanked 50% in just 2 days amid coronavirus market panic
3/13/2020 1:37:00 PM

"Investors are liquidating alternative assets such as Gold and Cryptocurrency to meet market obligations and build cash-reserves," Matthew Dibb, co-founder and chief operating officer of Stack, told Business Insider in an email.

Bitcoin is losing its luster as a safe-haven asset amid...

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*Supporting data on the Social Energy Circumplex; query terms: coronavirus, covid, sars-cov-2, bitcoin;
 Time span: March 10 - 14, 2020*

The Social Energy Circumplex offers a detailed image of the situation, highlighting the shifts taking place in society, the financial world, as well as in people's minds.

Analysis

1. Method

In order to explore a certain phenomenon or the relationship between various phenomena, the application needs to be queried with relevant terms.

In this particular case, the field **Causations** - which represents the factors that drive change - contains the term *coronavirus* and its equivalents: *covid* (-19), and *sars-cov-2*. The object that changes is Bitcoin - which, given its digital nature and, thus, complete reliance on technology - is entered in the **Science and Technology** field.

The analyzed period of time, as can be seen on the top left side of the screen, is that between March 10 and March 14.

2. Results



Social Energy Circumplex, query terms: coronavirus, covid, sars-cov-2, bitcoin;

Time span: March 10 - 14, 2020

Once the results have been generated, it becomes obvious that the current issue is a “hot” one: the Hot Action side of the circumplex comprises 73.28% of all data points (i.e., social energies), suggesting its powerful impact. The language in this area tilts more towards action than discussion, as opposed to the Cool Action side, where social inertia is more present. Furthermore, the most active energy layer is Escalation, which indicates a great potential of causing distress that may lead to more Action, a layer already occupied by a significant 10,36%. Escalation contains energies such as turmoil, pressure, anguish, restlessness, negative fervor. This layer feeds into Action, in which the aggressiveness born in Escalation takes shape.

Fear, Frustration, and Negative Expectations sum up 25% of the data points on the circumplex. Fear is triggered by an immediate known threat to the sense of security and safety. Data points on the Frustration energy layer are a reaction to situations in which social agents are opposed, blocked, denied by another social agent (other individuals, communities, organizations). Resignation, dissatisfaction, and helplessness are just some of the moods expressed in this layer.

Supporting Data	Move to Research Basket
<p>How Low Can Bitcoin Go as Coronavirus Fears Accelerate? Crypto Briefing 3/13/2020 9:13:00 AM</p> <p>Bitcoin is in freefall pushing the Fear and Greed Index (CFGFI) to levels of fear not seen since August 2019 and a current value of 10 (fear).</p> <p>Bitcoin has suffered its largest price drop since 2013 following the announcements from the WHO that the coronavirus is a pandemic and Preside...</p>	
<p>Bitcoin crashes to below \$4,000 in massive coronavirus sell-off - SiliconANGLE 3/13/2020 2:44:00 AM</p> <p>The price of bitcoin crashed to below \$4,000 in trading Thursday down nearly 50% over the last 24-hours before recovering slightly as cryptocurrency markets suffered even worse than equity markets due to the coronavirus-related economic turmoil sweeping the globe.</p> <p>Bitcoin started the...</p>	
<p>Edward Snowden Tweets About Buying Bitcoin Amidst Market Panic CryptoGlobe 3/13/2020 5:30:00 PM</p> <p>Bitcoin suffered its worse intra-day losses on Thursday amidst the panicked response to coronavirus.</p> <p>Edward Snowden, the American whistleblower who revealed the NSA's invasive security practices, tweeted about buying bitcoin amidst the massive market downturn.</p>	
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Above and below: Supporting data on the Fear energy layer of the Social Energy Circumplex; query terms: coronavirus, covid, sars-cov-2, bitcoin;

Time span: March 10 - 14, 2020

Supporting Data	Move to Research Basket
<p>Wall Street sell-off batters bitcoin, pounds palladium as investors go to cash 3/13/2020 1:11:11 AM</p> <p>NEW YORK (Reuters) - Crushing asset sell-offs ranging from bitcoin to precious metals and European stocks accompanied Wall Street's slide into bear market territory on Thursday, as investors liquidated positions across their portfolios to raise cash.</p> <p>Bitcoin BTC=BTSP dropped 26%, marking i...</p>	
<p>Wall Street sell-off batters bitcoin, pounds palladium as investors go to cash 3/13/2020 1:13:46 AM</p> <p>NEW YORK (Reuters) - Crushing asset sell-offs ranging from bitcoin to precious metals and European stocks accompanied Wall Street's slide into bear market territory on Thursday, as investors liquidated positions across their portfolios to raise cash.</p> <p>Bitcoin BTC=BTSP dropped 26%, marking i...</p>	
<p>Wall Street sell-off batters bitcoin, pounds palladium as investors go to cash 3/12/2020 11:15:00 PM</p> <p>NEW YORK (Reuters) - Crushing asset sell-offs ranging from bitcoin to precious metals and European stocks accompanied Wall Street's slide into bear market territory on Thursday, as investors liquidated positions across their portfolios to raise cash.</p> <p>Bitcoin dropped 26%, m...</p>	
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