



TRENDING
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Following Alleged Scam



USD 0.61% ▲
\$221.43
EUR €196.04

CNY 0.82% ▲
¥1,378.18
GBP £145.16

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EXCHANGES • NEWS

Bitcoin Price Skyrockets as Senate Hearing Concludes

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The price of bitcoin spiked dramatically last night and the transaction volume on the Bitcoin protocol (in USD) eclipsed that of Western Union.

The spike took place after Jerry Brito, Patrick Murck and Jeremy Allaire presented their testimonies on bitcoin and the future of virtual currencies to the Homeland Security and Governmental affairs committee in the US senate at the Senate hearing titled [Beyond Silk Road: Potential Risks, Threats and Promises of Virtual Currencies](#).



The CoinDesk BPI read \$650 on conclusion of the hearings, with Mt. Gox reporting a jump to **\$750** and, later, BTC China reaching a record high of **6,989 CNY (approximately \$1,147)** before crashing to almost 60% of this value in seconds, and then recovering to about **\$850**. At the time of writing, the CoinDesk BPI puts the price at \$602.

The senate hearing is being hailed as an historic moment for bitcoin, with even Ben Bernanke, current chairman of the Federal Reserve remarking that virtual currencies "may hold long term promise" in an open letter to Senator Thomas Carper (D) published 12th November.

At the hearing, Senator Carper listened to commentary, criticism and praise of bitcoin with a temperament that left many in the bitcoin community impressed and even delighted, whilst Jennifer Shaskey Calvery from FinCEN was measured in her analysis and assessment of the promises and threats that virtual currencies present.

This morning, data analysis website [Coinmetrics](#) reported that bitcoin passed Western Union in daily transaction volume, transacting an average of \$245m compared with Western Union's estimated \$216m but is still behind on the average number of daily transactions at approximately 62,000, with Western Union clocking up approximately 633,000 transactions per day by comparison.

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Rank	Network	Avg. Volume (millions \$)
1	Visa, Inc.	16,518
2	MasterCard Inc.	9,863
3	China UnionPay	7,562
4	American Express Co.	2,434
5	Discover (PULSE Network)	438
6	Paypal	397
7	Discover (Discover Network)	299
8	Bitcoin	245
9	Western Union Company	216
10	Xoom Corp	15
11	Rio/AFEX	-

Volume Market Share

Commenters on reddit are quick to **point out**, however, that comparing these two networks is like comparing apples and oranges, as Western Union is only used for actual payments, whilst bitcoin transactions are largely made up of people buying and selling bitcoin and moving bitcoin between different addresses which they might even own themselves, meaning that interpreting the figures to indicate that bitcoin is being used for more international remittances than Western Union would be misleading at best.

Western Union recently stated that bitcoin was not ready for the mainstream, however, moves have been afoot to release updates to the protocol that will encourage retailers into the space, allowing for receipts, refunds and human-readable bitcoin addresses to be introduced, a move by the Bitcoin core developers that may well have helped drive this recent round of speculation.

While **some** have suggested that the bitcoin price has the potential to reach the \$2,000 mark within the next few years, estimates like these are increasingly being looked upon as extremely conservative, especially when compared to the recent reports like those by Raoul Paul at **Global Macro Investor** who's first "fair value" price target was a staggering \$1m per coin.

Paul suggested one bitcoin should be worth 700oz of gold or pretty close to \$1m. Adjusting existing supply of both gold and BTC to equal each other, he calculated that one bitcoin is currently worth 0.14oz of gold. He said:

"That gives bitcoin an upside of 5,000 times to equal the current price of gold, supply adjusted."

He said it is a common belief that gold may be much higher in value than it is now in five to 10 years, "thus, versus the USD the upside for bitcoin could be multiples of that".

"Now, before you shake your head, simply go back to the chart of gold versus the USD and just recognise that it has risen 8750% since the 1920s. And just remember that Microsoft rose 61,000% from its IPO to its peak," Paul added.

The Winklevoss twins are equally bullish on bitcoin, recently stating that they thought the bitcoin market cap had the potential to reach \$400bn and Peter Thiel, founder of Paypal, **stating**: "It is worth thinking about money as the bubble that never ends. There is this sort of potential that bitcoin could become this new phenomenon."

Do you think the price will spike again tonight after tonight's Senate hearing? Let us know in the comments.

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"The market for cryptocurrency involves everyone that uses money: it's everyone."

Blake Cantrel, bitcoin enthusiast