

## Australia Margin Trading

The cost of bitcoin exponentially soared in 2017, which also led to a surge of interest in the crypto. This can be seen in the growth of "how much is Bitcoin worth" queries in search engines.

To understand if it is real to earn on bitcoin, let's consider what its price depends on [Australia margin trading](#).

Fiat currencies and crypto currencies are different. National currencies are subject to centralized management. For example, in the US, the value of the US dollar is regulated by the Federal Reserve System (FRS), which is the US Central Bank. If the Federal Reserve decides that in order to support the economy it is necessary to weaken the dollar, it will start using special tools: interest rate reduction, launch of quantitative easing program. It is also possible to carry out interventions.

The market price of the fiat currency depends on the state of the economy. In case of recession, the currency decreases, and if the situation in the economy is stable, then the exchange rate increases.

Things are different with Bitcoin and other crypto currencies. The crypto is decentralized. How much Bitcoin costs does not depend on either the economic situation in the country or the actions of central banks.

Initially, the cost of Bitcoin depended on how expensive its extraction (mining) was. This included the cost of electricity for coin mining and

equipment. Since Bitcoin began to be traded on the exchange and attracted the attention of major market players, its price has also become dependent on supply and demand factors.

Market cost factors for bitcoin

Pricing in the crypto market largely depends on the balance of supply and demand. The market law states: the higher the demand, the higher the price. If the demand decreases, the price goes down as well.

Let us remember the year 2017. In January, the price of Bitcoin was below \$1,000, and by the end of the year it soared to almost \$20,000 per coin. What caused the price to go up so fast? That's right, the growth of interest (read, demand). The faster the price went up, the more investors decided to invest money in this asset to make a profit.

In 2018, "cryptic currency riots" arose in Asian countries. Authorities in some countries began restricting earnings at Bitcoins. Fears that the new asset would not take root in the market due to a ban by the regulators led to a drop in demand: investors began selling coins by closing buy deals, thus lowering the cost of the bitcoin.