Factors That Affect Cryptocurrency Value

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Material and Methods

The research method is a literature study. The literature study method is a series of activities related to library data collection methods, reading and taking notes, and managing research materials related to factors that affect cryptocurrency value.

Figure 1. Bitcoin to USD

Figure 2. Gold Price

Figure 3. Crude Oil Price

Results

Cryptocurrency price is influenced by several factors as in table 1.

Table 1. Factors that influence cryptocurrency prices

Internal Factors	External Factors		
Supply & Demand	*Crypto-market*	*Macro-financial*	*Political*
• Transaction Cost • Reward System • Mining Difficulty • Coins Circulation • Forks (Rule Changes)	• Attractiveness (Popularity) • Market Trend • Speculations	• Stock Markets • Exchange Rate • Gold Price • Oil Price • Interest Rate • Dollar Index • Others	• Legalization (Adaptation) • Restrictions (Ban) • Others

Introduction

Cryptocurrencies have become one of the most trending topics in recent economic and financial issues. This has raised many doubts and questions about the current and future of decentralized cryptocurrencies. There are two major views. One side argues that it is a bubble with no real assets that inevitably will end with a burst. The other side opines that cryptocurrency markets will become an avenue that will give millions of people an opportunity to participate in a global financial network worth tens of trillions of dollars.

Objective

This study aims to determine the factors that influence the movement of cryptocurrency value.

Conclusions

Cryptocurrency value is influenced by internal factors, including supply and demand, and is influenced by external factors including crypto market, macro-financial, and political.

References

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