

DON'T CRY WHEN THE WELL RUNS DRY !

Permitting trading in unregulated cryptocurrencies could well be said to have become a particularly dangerous fad.

Left to their own devices, for the predatory sponsors of cryptocurrencies, the door is wide open for the proliferation of corrupt or immoral practices.

Those persons/entities, fanning the flames of this mania, if permitted to continue to trumpet, unabashed and brazenly, the benefits of speculating in one or more of the 1,600 cryptocurrencies that have hung out their shingles in order to lure speculators to the belief that indubitable wealth is there for the taking, are, probably, among the very few that stand to benefit, financially, come what may.

One could suggest that a degenerate sponsor of a new cryptocurrency could well be likened to a seasoned gambler, going to Las Vegas with the sole intent to play craps, having surreptitiously purchased loaded dice that he fully intends to substitute for the house's dice.

The prices of cryptocurrencies, as everybody and his cat will attest, have no bearing on any economic factors, being driven, completely, by speculators' temporary state of mind.

An endemic problem in respect of cryptocurrencies' trading is that, in a very short period of the lifespan of any one of them, more and more speculators have come to the mistaken believe that '*the trees of the field shall yield their fruit, and the earth shall yield its increase, and they shall be secure in their land.*' (Ezekiel 34:27)

One cannot help but ponder when trading in cryptocurrencies will require certain governments to step in, in order to protect the ignorant and the innocent.

Quite a number of people maintains that this is not a fantasy, at all, but very real.

Definitive actions in order to rein in known (not perceived) threats with regard to trading activities, not having been implemented in a timely fashion by governments of free-market economies, on noting the existence of certain unwelcome financial schemes, led by disorderly and/or disruptive elements within society, might well find themselves, harvesting the rotting fruits of civil unrest.

In early 2017, only the Government of the People's Republic of China (PRC) seemed to appreciate the dangers to its citizens, trading in cryptocurrencies: The PRC Government determined to shut down exchange platforms, forthwith.

This action was taken when it became apparent that most of the trading in the cryptocurrency, known as Bitcoin, during the first quarter of 2017, was being transacted in renminbi, by and large.

In December 2017, the price of Bitcoin hit \$US17,500 (about \$HK136,500), having increased by about 500 percent, during that year.

Speculators, fearing that they might miss the boat, façon de parler, rushed in to buy the cryptocurrency of their choosing; and, futures markets were established in certain commodity exchanges, specifically to trade in cryptocurrencies.

This action resulted in the legitimatisation in the trading of cryptocurrencies.

For the speculators, who bought Bitcoin at \$US17,500 in late December 2017, today, no doubt, they must have shed tears of pitying rue ... as they stood by only to watch the Bitcoin '*bubble*' burst.

In free-market economies, profit at any cost has come to be the holy grail – sadly.

It is fact that, between April 2016 and September 2017, there was, absolutely, no correlation with any economic factor(s) on which speculators could hang their hats when engaging in speculations in cryptocurrencies.

Their speculations, simply put, were outright gambling.

Investing in stocks and shares, listed on reputable, well-regulated equity markets, has its drawbacks, to be sure, but not to the extent of gambling on cryptocurrencies.

It should be apparent to any right-minded individual that cryptocurrency trading has little to offer an investor, long term, compared to the purchase of the scrip of blue chips, listed on the world's equity markets where rules are strictly enforced, preventing pernicious and egregious acts that are considered as being contrary to fair-trading practices.

Short-term trading in cryptocurrencies has little to offer to anybody, other than a rollercoaster ride.

Purchasing cryptocurrencies could never be construed as being a relatively safe and/or reliable saving instruments since their market prices are regulated by the whims of the wind.

While, today, it could be held that trading in cryptocurrencies is growing exponentially, actually trading is dominated by a mere handful of (mostly invisible) players.

And, therein might lie the rub.

Most cryptocurrencies, as with the seasons of the year, can last only as long as speculators feel inclined to trade in them.

New cryptocurrencies may come into vogue, from time to time, but they can fall out of favour even faster than their coming.

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