

① The Cryptocurrencies, have always been subject to extreme price swings & crypto crash could be end of road for cryptocurrency?

Cryptocurrency is a digital currency where the transaction and records of \$ maintained by a decentralized system rather than centralized system. Here the data are encrypted and uses blockchain Technology.

Some types of Cryptocurrencies are:-

- ① Bitcoin
- ② Bitcoin Cash
- ③ ~~XRP~~ XRP
- ④ Ethereum
- ⑤ Dogecoin.

~~During~~ In the Year 2020 Cryptocurrency value peaked to an all time high but in the start of 2021 its value dropped by $\frac{2}{3}$ and Ethereum dropped its value by almost 80%. This shows that Cryptocurrencies are more volatile in nature.

Experts analysed the sudden drop of values is due to some major reasons like

① USA - federal reserve tightened the monetary policy to withdraw the liquidity in the market. This in turn reduced the value of assets and this made so, analyst believe that drop in cryptocurrency values was in line with the drop of stock market price and assets.

The cryptocurrency transaction volume dropped under 90% in ~~the~~ its peak in India

Thereby we could understand that cryptocurrency doesn't have intrinsic values merely increased in value by economic policy. Though Cryptocurrency value increased aggressively the use of Cryptocurrency in transaction was low. This indicates that very little value of chance ~~to~~ of Cryptocurrency to be an alternative to Fiat Currency. This led to investors in cryptocurrency ~~as~~ lacking ~~in~~ enthusiasm

The experts analysed the Cryptocurrency is a tool to protect investors against rise of inflation. and ~~against~~ ^{protect} wealth ~~(or)~~ assets ~~against~~ ^{debasement} the ~~policy~~ _{policy} of Central Banks.

But Cryptocurrency basically don't have any Fundamental value. Like Gold & Silver which ~~protect investors~~ ^{protect} wealth from Central Bank.

Though? As cryptocurrency values are more volatile which swings in values it can't ~~be~~ protect the wealth in a longer run.

Though, cryptocurrency peaks in its value, gold & silver are ~~more~~ far more acceptable.

Most of the countries discourage the widespread use of cryptocurrencies. Russia & CHN already ~~to~~ placed ban on Crypto. Countries like India tried to regulate by putting tax on Crypto, as Crypto ~~may~~ challenge the monopoly of central banks which currently enjoys the control of money supply in an economy.

Conclusion Govt should persuade people by not switching to alternative currency, and making them aware of volatility nature of Crypto thereby protecting their people's assets & wealth with suitable economic policy's.