

Bitcoin Price Rise High After Elon Musk Said Tesla Could Use It Again

On Monday Bitcoin hit a two-week peak just shy of \$40,000 (around Rs. 29.2 lakhs), after another weekend reacting to tweets from Tesla boss Elon Musk, who fended off criticism over his market influence and said Tesla sold Bitcoin but may resume transactions using it.

Bitcoin has gyrated to Musk's views for months since Tesla announced a \$1.5 billion (around Rs. 10,980 crores) Bitcoin purchase in February and said it would take the cryptocurrency in payment. He later said the electric car maker would not accept Bitcoin due to concerns over how mining the currency requires high energy use and contributes to climate change. Bitcoin price in India stood at 28.7 lakhs at 12pm IST on June 14.

"When there's confirmation of reasonable (~50 per cent) clean energy usage by miners with the positive future trend, Tesla will resume allowing Bitcoin transactions," Musk said on Twitter on Sunday.

"The market had been going through another round of correction over the weekend ... until Elon Musk's tweet of accepting BTC again for Tesla purchases changed sentiment," said Bobby Ong, co-founder of crypto analytics website CoinGecko.

He said the market was also supported by the software company and major Bitcoin-backer MicroStrategy raising half a billion dollars to buy Bitcoin.

Musk's tweet was made in response to an article based on remarks from Magda Wierzycka, head of cybersecurity firm Syria, who in a radio interview last week accused him of

“price manipulation” and selling a “big part” of his exposure.

“This is inaccurate,” Musk said. “Tesla only sold ~10 per cent of holdings to confirm BTC could be liquidated easily without moving market.”

Musk had tweeted in May that Tesla “will not be selling any Bitcoin” and “has not sold any Bitcoin,” but investors are keenly awaiting Tesla’s next earnings update – due next month – for any disclosure of changes to its position.

Musk has taken issue with the vast computing power needed to process Bitcoin transactions and in early June posted messages appearing to lament a breakup with Bitcoin.

Other cryptocurrencies were steady after weekend gains, with ether at \$2,491 (around Rs. 1.8 lakhs) and one-time Musk darling Dogecoin buying about 32 US cents (around Rs. 20) on crypto exchange Binance. And Dogecoin price in India stood at Rs. 23.78 at 12:30 pm IST on June 14, 2021.