# Article information:

Devastirajući utjecaj rasta kamatnih stopa: priča o kriptu i private equity – Arhivanalitika
<https://arhivanalitika.hr/blog/devastirajuci-utjecaj-rasta-kamatnih-stopa-prica-o-kriptu-i-private-equity/>

# Article summary:

1. Bitcoin was once seen as a reliable hedge against inflation, but the correlation between its price and interest rates has proven to be weak.

2. The combination of restrictive monetary and fiscal policies has led to a mass sell-off of various asset categories, including cryptocurrencies.

3. Companies like Celsius, BlockFi, and FTX have been under pressure to become benevolent lenders in order to increase their valuations for initial shareholders and attract more capital from private equity and venture capital firms.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article discusses the impact of rising interest rates on cryptocurrencies and private equity. It highlights how some investors believed that cryptocurrencies, particularly Bitcoin, were a reliable hedge against inflation during the pandemic. However, the article argues that this belief was unfounded as Bitcoin's value has declined significantly since interest rates began to rise.

The article provides evidence in the form of graphs to support its argument that Bitcoin's value is negatively impacted by rising interest rates. It also notes that cryptocurrencies lack intrinsic value and rely on fresh capital inflows to maintain their value. The article suggests that the recent decline in cryptocurrency values is due to a combination of factors, including restrictive monetary and fiscal policies, scandals, and a lack of new capital inflows.

The article also explores the concept of borrowing in the cryptocurrency market and how it can lead to risky investments. It highlights how companies like Celsius and BlockFi function like banks by collecting funds from small investors and lending them out to riskier investors. The article suggests that these companies may have been under pressure to lend more money to increase their valuations.

Overall, the article presents a critical analysis of the cryptocurrency market and its vulnerabilities. It highlights potential biases in investor beliefs about cryptocurrencies as a hedge against inflation and raises concerns about risky investments fueled by borrowing in the market.

However, one potential bias in the article is its focus on negative aspects of cryptocurrencies without exploring potential benefits or counterarguments. For example, it does not discuss how some investors still believe in cryptocurrencies' long-term potential or how blockchain technology could revolutionize industries beyond finance.

Additionally, while the article mentions scandals involving Terra Luna, Three Arrow Capital, Celsius, Voyager, and FTX, it does not provide sufficient evidence for these claims or explore any counterarguments from those involved with these companies.

In conclusion, while the article provides valuable insights into potential risks associated with investing in cryptocurrencies and private equity markets during times of rising interest rates, readers should approach its claims with a critical eye and consider other perspectives.

# Topics for further research:

* Potential benefits of cryptocurrencies beyond finance
* Counterarguments to negative views on cryptocurrencies
* Blockchain technology and its potential impact on industries
* Evidence supporting or refuting scandals involving Terra Luna
* Three Arrow Capital
* Celsius
* Voyager
* and FTX
* Risks associated with borrowing in the cryptocurrency market
* Long-term potential of cryptocurrencies as an investment option

# Report location:

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