



COVID-19 IMPACT ON CRYPTOCURRENCY MARKET

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Abstract

2020 a year which the world can't forget as COVID-19 thrash whole world. It was such a huge crisis that it effected every sector. Through this paper we will try to investigate COVID-19 impact on cryptocurrency market. As we all know cryptocurrency market is fully based on speculation with this paper, we will try to analysis the positive impact and growth of cryptocurrency market in India during covid -19 period with the help of some secondary **Qualitative and quantitative** data.

This study will help in understanding the complexity/unpredictability of the cryptocurrency market from the bull market to the COVID-19 pandemic outbreak with the help of some financial tools and techniques.

The Basics about Cryptocurrency and covid-19

Cryptocurrency comes under many names some of the most popular types of cryptocurrencies such as Bitcoin, Litecoin, and Ethereum.

Crypto makes it possible to transfer value online without the need for a middleman like a bank or payment processor, allowing value to transfer globally, near-instantly, 24/7, for low fees. Cryptocurrencies are usually not issued or controlled by any government or other central authority. They're managed by peer-to-peer networks of computers running free, open-source software. Generally, anyone who wants to participate is able to.

The COVID-19 outbreak initially occurred in China — Wuhan province and later spread throughout the world. On December 30, 2020, the world recorded more than ~83,953,903 confirmed cases, 1,836,909 death cases, and ~60,400,789 recovery and discharge cases. During the global pandemic, countries instituted containment measures to mitigate the spread of COVID-19 virus including— travel restrictions, social distancing, and lockdown policies (Sarkodie *et al.*, 2020).

OBJECTIVE OF THE STUDY-

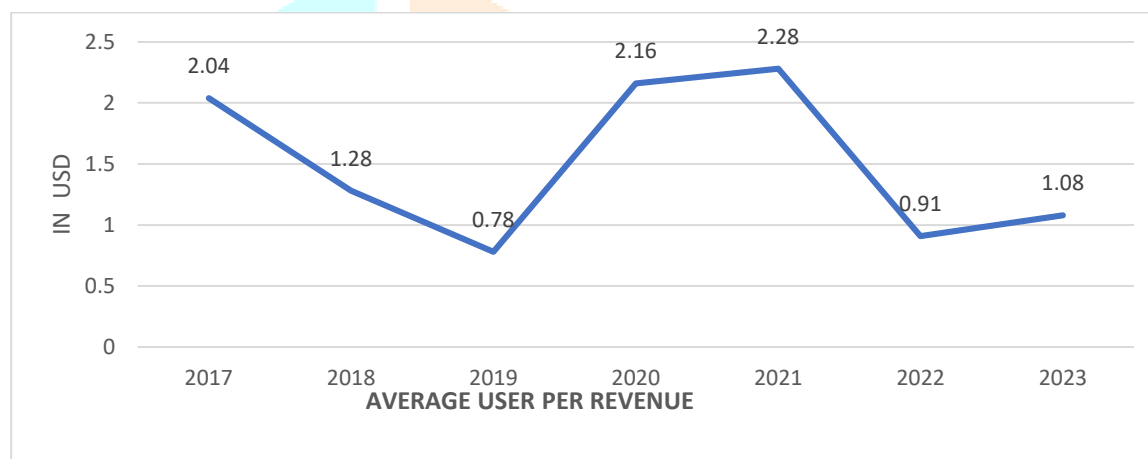
1-TO analysis the growth of cryptocurrency market growth at time of covid-19.

2-To study to Interest of society in cryptocurrency market.

Growth of cryptocurrency amid covid-19

As per the data available and research, during lockdown people were ideal at home and source of income get very restricted and we have no idea up to what time this scenario will going to continue people start using digital platform for income generation and one of the new and safe they found was investment in cryptocurrency market. Where market was not regulated by government so their will be no tax issue.

As per the data analysis there was hike of 28.99 USD (Source: Statista Market Insights) from 2019-2020 which was the highest till cryptocurrency market started functioning in India.

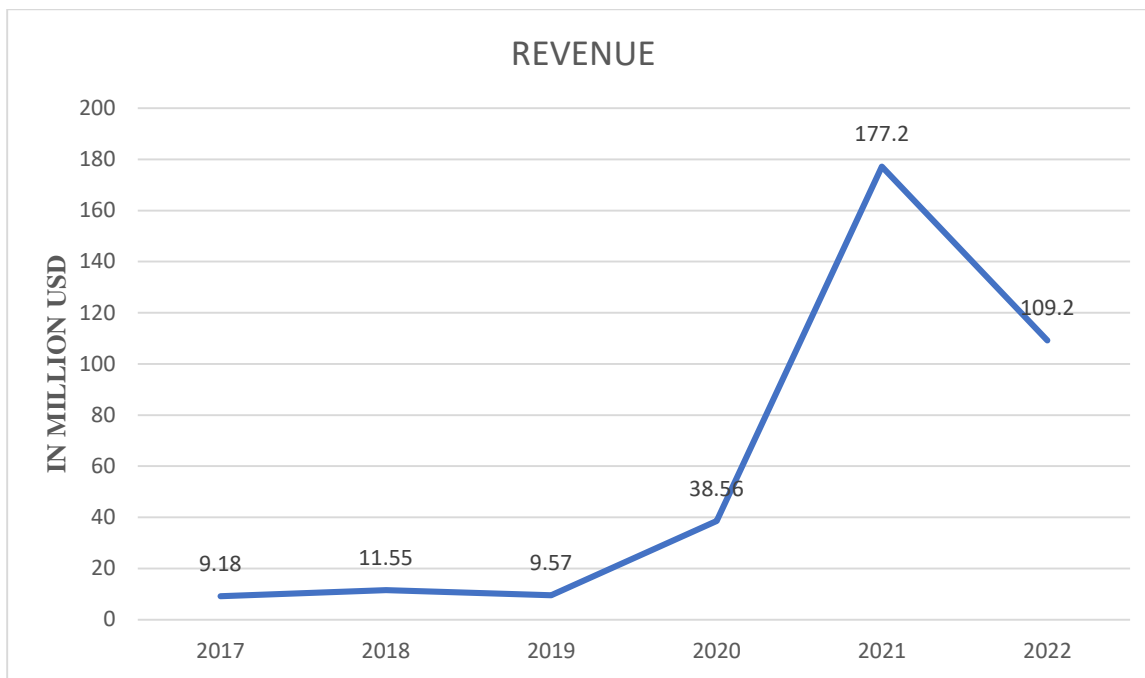


Notes: Data shown reflects the ban of cryptocurrencies in China.

Most recent update: Apr 2023

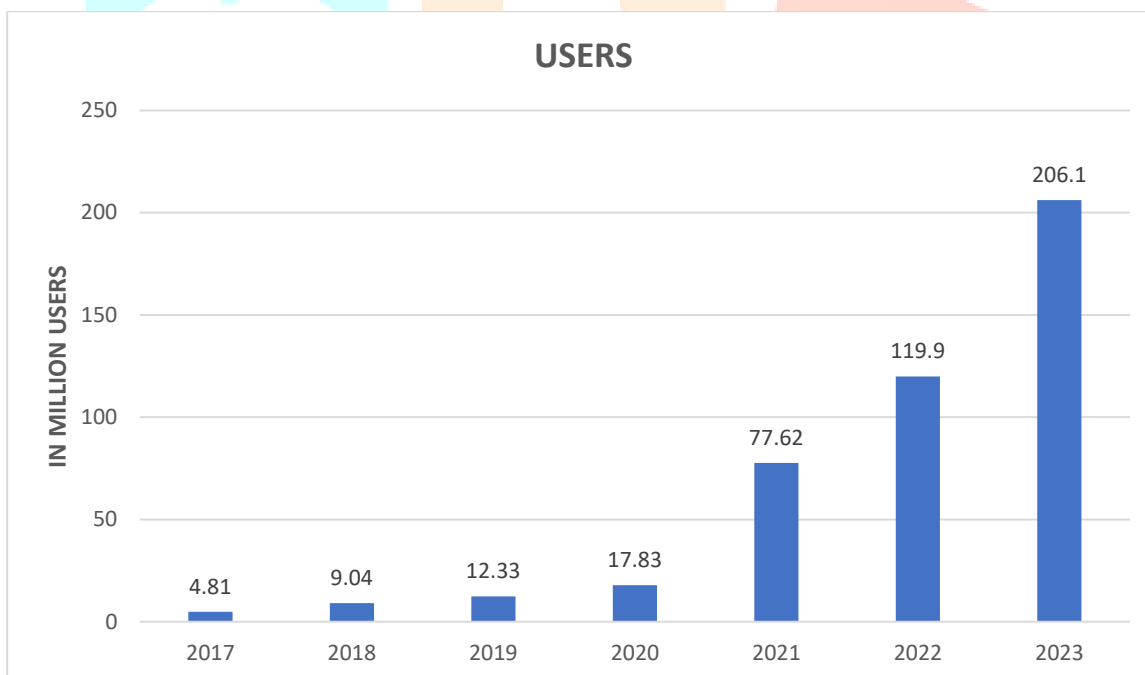
Source: Statista Market Insights

The line graph depicts the cryptocurrency market from 2017 to 2023 in which we can clearly seen the hike from year 2019-20, when cryptocurrency market was banned in China.



Notes: Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.

The graph depicts the revenue earned during Russia-Ukraine war which result a huge hike in 2021 in market and also during covid there was a huge hike in market which shows people were at home but using digital platform to earn money.



Most recent update: Apr 2023

Source: Statista Market Insights

This bar graph shows the increase in user of cryptocurrency market during the following year but we can analysis that user are keep on increasing as this market as huge scope of earning in future.

IMPACT OF COVID-19 AT CRYPTOCURRENCY MARKET-

As we have analysis the data and other research paper it can be clearly seen that during covid when people were locked in their home and don't have much to do, people started exploring digital platform to earn money where cryptocurrency market was easiest and safest market ton earn money during covid time many digital platform were offering easiest way to invest money, Bitcoin from crypto family was the most purchased and sold cryptocurrency in market during 2019. Bitcoin in 2016 and 2017 saw steadily rising prices, with a large spike at the end of 2017. Prices declined significantly in 2018, but rebounded in 2019, although they have not

quite reached their 2017 peak. Bitcoin prices in 2020 and 2021 increased dramatically, eventually shedding value substantially throughout 2022.



Ethereum is the second-largest cryptocurrency by market cap after Bitcoin, and it was introduced in 2015 blockchain-based smart contract technology, the value of ETH has been relatively high over the last seven or eight years — with a historic low of about 42 cents and an all-time high of about \$4,800 in No Ethereum (ETH) Price History.



Ethereum price history

Year	high
2016	\$21.25
2017	\$881.94
2018	\$1119.37
2019	\$361.40
2020	\$533.00
2021	\$4815.00

Conclusion-

With rising expenses and inflation everyone needs some extra income for in their life and this digital profit making platform is somewhat secure and easy way to earn money because of which people are investing and making profit, increase in income will eventually help country in growing that's the reason government also had imposed few rules for profit maker in paying tax at income earned through cryptocurrency, overall it can be seen that during covid-19 period when people were captive at home they had found a source to earn income if investment was done with proper knowledge and cautious.

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