

Bitcoin Could Be Portfolio Insurance, According to Fidelity

Fidelity Digital Assets, a subsidiary of Fidelity Investments, claims that Bitcoin could be considered portfolio insurance. The firm notes that cryptocurrency "could soon find itself in stark contrast to the path that the rest of the world and fiat currencies might take – namely, the path of increasing supply, creating currencies and the expansion of central bank balance sheets". Fidelity Digital Assets, a subsidiary of Fidelity Investments, recently published a research study titled "The Rising Dollar and Bitcoin." The research outlines "how bitcoin can be viewed as portfolio insurance" as the dollar's rise impacts global currency markets. The strengthening U.S. dollar is wreaking havoc among other countries and may put pressure on the Federal Reserve to soon reverse its tightening monetary actions, something that has precedent based on 1985's Plaza Accord," Fidelity explained. Furthermore, "a greater depreciation of the currency may be needed to alleviate the high debt burden among developed economies," notes the report, , adding that "recent events in the United Kingdom have shown counterparty and liability risks in the system, making monetary intervention and doses of liquidity features

that are not likely to go away any time soon. Disclaimer The information on this website is provided for educational and informational purposes only. Any action taken by readers based on the information contained on our website is entirely at their own risk.

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