



## The decline of Cryptocurrency

From the start of 2022, the trading value of the cryptocurrency market has been dropped significantly and continuously, from 180 to 54 billion baht, while the cryptocurrency trading accounts in Thailand have also been dramatically decreased, from 707,000 to 230,000 accounts due to its value fluctuation.

This event occurred due to poor market sentiments including: macroeconomic policies, the increase of interest rate, quantitative tightening and economic slowdown, and the key drivers to the falling of the price of cryptocurrency are the Russia-Ukraine war, inflation and lock-downs in China. These mentioned causes have put hard pressure on the cryptocurrency market which then turned into the “bear market”.

In addition, Zipmex, one of the Thailand’s leading digital asset exchange platforms, has faced the major problem related to its system, the prohibition of withdrawal of investors’ assets from Zwallet, for around 60,000 to 70,000 accounts. It can be said that Zipmex fiasco shall be considered as another factor that forced the cryptocurrency market to decline. This incident affects investment in other cryptocurrency business operators such as Binance and Bitkub as well. However, it was viewed that this Zipmex incident is only a short- term market sentiment. It is forecasted that the bear market may take approximately one and a half years to recover.