

Facebook Inc

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Bitcoin hits 12-month high as launch of Facebook cryptocurrency expected imminently

The Bitcoin price hit a 12-month high on Monday as investors scrambled to take advantage of the launch of Facebook Inc's (NASDAQ:FB) own cryptocurrency, Libra, which is expected on Tuesday.

In lunchtime trading, Bitcoin was up 2.2% at US\$9,250, a level not seen since April 2018.

The original cryptocurrency is often seen as a key bellwether for the wider blockchain and crypto sector, with investors seeming to think that Facebook's foray into the industry will boost the rate of adoption and investment in the technology.

READ: Facebook's upcoming cryptocurrency could change the face of the sector forever

The surge also followed a report from the Wall Street Journal last week that Facebook had set up a consortium of firms, called the Libra Association, to govern how its currency will be distributed and its value managed.

Members of the association include payment giants Visa Inc (NYSE:V), Mastercard Inc (NYSE:MA) and PayPal Holdings Inc (NASDAQ:PYPL) as well as ride-hailing firm Uber Technologies Inc (NYSE:UBER) and FTSE 100 telecoms giant Vodafone Group Plc (LON:VOD), according to a list seen by crypto news site The Block.

Each of the consortium's members has reportedly paid Facebook US\$10mln to manage a 'node', which will allow them to access and view the Libra network, while the value of the currency itself will be pegged to a basket of currencies.

Many have speculated that the digital currency will be integrated across Facebook as well as other social networks the company owns such as instant messaging service WhatsApp and picture sharing network Instagram.

The company seems to be trying to replicate the success of Chinese messaging app WeChat, which not only allows users to message each other but also offers a payment service that enables subscribers to transfer money to contacts or pay for various services through their mobile phones.

And that's not the only thing pushing up the Bitcoin price

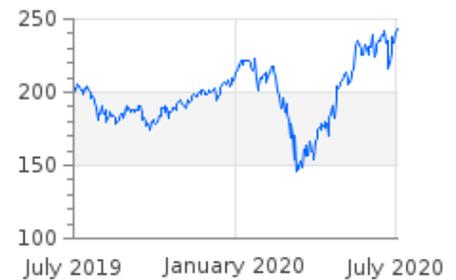
While the headlines are dominated by Libra's seemingly imminent launch, it isn't the only thing that could be behind the rise in the Bitcoin price recently.

Litecoin, another cryptocurrency that sits beside Bitcoin as one of the industry's major players, has seen its value rise 336% this year to US\$136 ahead of its 'halving' on the 5 August, when the reward for 'mining' its coins will be cut by 50%.

Price: 244.5

Market Cap: \$696.55 billion

1 Year Share Price Graph



Share Information

Code: FB

Listing: NASDAQ

52 week	High	Low
	247.65	137.11

Sector: Online business & e-commerce

Website: www.facebook.com

Company Synopsis:

When it comes to social networking, it's wise to put your best face forward. Facebook, the social networking juggernaut, lets users share information, post photos and videos, play games, and otherwise connect with one another through online profiles.

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READ: Why the next Bitcoin rally could be closer than you think

When a halving occurs it makes the digital asset, in this case Litecoins, harder to obtain and pushes up their value, and, if it is popular enough, lifts the rest of the market with it.

Bitcoin itself is also due for a halving in May next year, which could signal the start of another crypto bull run.

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