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Investors pile into bitcoin as other cryptoassets see dip in trades

- Bitcoin sees first increase in month-on-month trades since August
- Altcoins see another month of decreasing trades as investors focus on BTC

Retail investors returned to bitcoin last month, with the cryptoasset seeing a month-on-month trade increase of 16% for the first time since August, according to new data from multi-asset investment platform eToro.

| Top cryptoassets invested in globally by eToro clients – October 2020 | | | |
|---|-------------|---|----------------|
| October rank | Cryptoasset | Percentage change in trading activity MoM | September rank |
| 1 | Bitcoin | 16% | 1 |
| 2 | Ethereum | -49% | 2 |
| 3 | Cardano | -16% | 5 |
| 4 | Ripple | -33% | 3 |
| 5 | Tron | -55% | 4 |
| 6 | Tezos | -42% | 6 |
| 7 | NEO | -43% | 7 |
| 8 | Litecoin | -16% | 9 |
| 9 | IOTA | -53% | 8 |
| 10 | Stellar | -31% | 10 |

Following bitcoin's impressive gains last month, which saw it hit \$14,000 for the first time since 2018, the cryptoasset was the only one with increased trades in October.

Bitcoin's upwards trajectory towards the end of October may have been driven by the news that PayPal users will be able to buy, sell and hold crypto. Bitcoin, along with bitcoin cash, litecoin and ethereum, will be one of the cryptoassets initially available on the PayPal digital wallet.

Despite touching such a recent high, bitcoin dropped back down towards the \$13,000 levels over the weekend; \$14,000 remains one of the key resistance levels for the cryptoassets. The barrier after \$14,000 would be the all-time-high of \$20,000.

Altcoins in the top 10 all saw dips in month-on-month trading activity. Ethereum, tron and IOTA were the toughest hit, with a decrease in trades of 49%, 55% and 53% respectively when compared to September.

Investors were focused on price instead of staking rewards this month. Tron's 55% dip in month-on-month trades came despite the initiation of bonus tokens for investors on eToro through the launch of its staking service last month and a year-to-date return of 88%. Cardano, which also recently saw the introduction of staking rewards, experienced a month-on-month decrease of 16%.

Simon Peters, market analyst and crypto expert at eToro, commented:

"Bitcoin was the focal point for investors last month, and for good reason. With an astonishing rise from \$10,800 at the start of October to \$13,800 at the end, investors clearly bought bitcoin in expectation of the next bull run.

"Altcoins suffered as a result of this anticipation, hence the dip in month-on-month trading shown across the board on that front.

"Despite offering staking rewards, Tron and Cardano saw decreases of 55% and 16%, respectively. Without the bitcoin price action, Tron and Cardano could have seen more positive trading activity.

"NEO, one of the cryptoassets that struggled to make the same level of gains seen by many other altcoins over the summer, saw a dip in month-on-month trades of 43%. Investors might have viewed the software platform as a way to capture some late altcoin summer gains, but many have likely now exited some altcoins to open positions in bitcoin following October's price rises.

"Looking forward, bitcoin continues to excite investors both inside and out of the crypto community. With fiscal stimulus continuing to be on the cards and snowballing interest from institutional investors, bitcoin's prospects look rosy for the coming months.

"October's month-on-month increase in trades could be the first of many."

-Ends-

Notes to editors

The data represents the most bought real cryptoassets (i.e. unleveraged positions) by investors on the eToro platform globally in October 2020. Data accurate as of 02.11.2020.

eToro has changed the methodology this month to strip out the positions of investors who copy the platform's Popular Investors.

[About eToro](#)

eToro was founded in 2007 with the vision of opening up the global markets so that everyone can trade and invest in a simple and transparent way. The eToro platform enables people to invest in the assets they want, from stocks and commodities to cryptoassets. We are a global community of more than 16 million registered users who share their investment strategies; and anyone can follow the approaches of those who have been the most successful. Due to the simplicity of the platform users can easily buy, hold and sell assets, monitor their portfolio in real time, and transact whenever they want.

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