Bitcoin is worth $6,000 for the first time this year

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Last year was a brutal one for holders of bitcoin. The price fell from its all-time high of $19,500 in December 2017 to a low of $3,100 a year later. Then the price mostly languished between $3,000 and $4,000 in the early months of 2019.

But recently bitcoin has been on a tear. On April 2, the price soared almost 20 percent in a single day to reach $5,000. The price has drifted steadily upward since then, and it hit $6,000 on Wednesday.

It's often difficult to explain bitcoin price movements, and this case is no exception. Major bitcoin-related news in recent weeks has seemed mostly negative: a possible Chinese government ban on cryptocurrency mining, worries that a major cryptocurrency exchange might be insolvent, and most recently, hackers stealing $40 million from another cryptocurrency exchange.

Headlines like these are hardly unusual in the bitcoin world—the community has been dealing with hackers and hostile governments for years now. But it doesn't seem like the kind of news that would make people want to buy more bitcoin.

On the other hand, in recent weeks there have been some signs

of growing interest in cryptocurrency from mainstream companies. Fidelity is preparing to offer cryptocurrency trading services for institutional customers, which could enable more large investors to hold bitcoin, potentially pushing up its price.

Perhaps most significant, Facebook is thinking about launching a cryptocurrency of its own. The introduction of facebucks wouldn't directly push up bitcoin's value. But cryptocurrencies generally rise or fall together, and a Facebook endorsement could certainly help to broaden interest in other cryptocurrencies.

Of course, the recent price rise could be totally random, too.

The larger question is where bitcoin's price goes from here. Bitcoin has already gone through at least three major boom and bust cycles over its 10-year history.

The cryptocurrency peaked around $30 in mid-2011 before crashing to around $2 by the end of that year. Then it soared above $1,000 in late 2013 before crashing below $200 in early 2015. That was followed by a massive boom that pushed the price up to almost $20,000 by the end of 2017—followed by last year's big fall to barely $3,000.

Bitcoin boosters are hoping that history will repeat itself once more—that the price increases of recent weeks are the start of a fourth major bitcoin boom that will smash through the $20,000 barrier and carry bitcoin to new heights. But bitcoin's three previous booms were each driven by waves of new investors finding out about the cryptocurrency for the first time. At this point almost everyone has heard of bitcoin, so it's not clear if there's room for history to repeat for a fourth time.

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