

Bitcoin Trading Patterns : Unveiling Uniformity in Developed and Developing Countries with a Focus on India (2015-2022)

K. PRABHAKAR RAJKUMAR*

Abstract

Bitcoin have surged in popularity, operating via Cryptography and independently of Central Banks. Bitcoin's global trade volume has astonished investors in both developed and developing nations. In India, Bitcoin trade remains unregulated, leading to uncertainty over its legal status. This study analyzes 8 years of Bitcoin trading data (January 2015 to December 2022) across 20 developed and 28 developing countries. It aims to uncover consistent trading patterns between these two groups. The research delves into market potential, market and risk assessment, volatility and growth and diversification, utilizing ANOVA, Levene test, and Post-hoc tests. Assumptions are validated through Kolmogorov-Smirnov and Shapiro-Wilk tests, with Normal Q-Q Plots visualizing distribution. Multivariate tests capture intricate relationships, while the Radial Basis Function method bolsters accuracy. Interestingly, the research reveals disparity in Bitcoin trading patterns, diverging between developed and developing countries, even if uniform within each group.

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Keywords : Bitcoin; Innovation; Crypto; Currency; Shadow Economy; Informal Sector; ANOVA; Trading; India

I. Introduction

THE TWENTY-FIRST CENTURY has witnessed the famous trend, Bitcoin. Bitcoin is a virtual coin or a digital coin. The currencies of each country are only valid and valuable within the respective country that issues them. However, Bitcoin is universally valuable and can be used throughout the world. Understanding the need for a global currency, Bitcoin was created. But unfortunately, the purpose is not served, for instead of being a global currency, it has become the individual's private tradable object. Simply, Bitcoin is an illusion of nature. According to the author's conceptual definition, Cryptocurrency is a "Crypto-economic Currency" created by individuals or groups without the involvement of Central Banks, and supported by machine trading processes for speculative investment purposes.

* Professor and Head, The Central University of Tamil Nadu, The School of Commerce and Business Management, Thiruvarur, Tamil Nadu 610005, INDIA.

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