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Article

The Impact of Cryptocurrencies on the Future of Financial Transactions.

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Abstract: This study aims to shed light on crypto currencies, which represent the latest form of money due to the increasing use of these digital currencies for direct transactions between individuals without intermediaries. The study specifically focuses on Bitcoin, which is considered a new breed of digital currencies based on digital encryption, thus revolutionizing the world of finance and business. The study concludes by proposing mechanisms to ensure the protection of the rights of parties involved in transactions, while also providing a framework for monitoring illegal transactions.

Keywords: Virtual Currency, Bitcoin, Block, Cryptography, Artificial Intelligence.

INTRODUCTION

The reliance on financial transfers and the widespread use of mobile payments have led to a sharp increase in the use of cryptocurrencies in Africa's largest economy, and according to a global consumer survey conducted by the German company Statista in 74 countries, Nigerians were the most likely to use or own digital cryptocurrency .

In a report, writer Katharina Buchholz stated, "The high cost of sending money across borders through traditional means has forced many to turn to local cryptocurrency exchanges that cater to the needs of workers abroad and their families," according to Bitcoin.com[1] .

Crypto currencies are one of the modern developments in finance, with many economists beginning to focus on them due to the significant interest from specialists and users alike in numerous countries, as they are a digital innovation and an informational revolution expected to provide numerous features and advantages aligned with the fast-paced era.

A virtual currency can be defined as: "a digital representation of monetary value that is not issued by a bank or public authority, not necessarily tied to fiat currency, but accepted by individuals or entities as a means of payment and can be transferred, stored, or traded electronically" [2].

It is also defined as: "a virtual currency that operates outside the official monetary system, representing

digital monetary value issued by entities other than central banks and credit institutions, deriving its value from the trust embedded in its voluntary acceptance"[3].

Since their inception, digital currencies have gained significant, though gradual, traction, largely due to the substantial profits from speculation, trust, speed of transaction completion, and transaction confidentiality. Bitcoin is the most widespread digital currency globally. Despite this, most people remain unaware of the true nature of this type of currency, considering it a novel element within the global monetary system. As cryptocurrencies have rapidly expanded in popularity and value, new digital platforms and exchange mediums have emerged, capable of bypassing traditional methods for organizing the exchange of goods and services.

Given the questions raised by cryptocurrencies, this study seeks to clarify the nature of Bitcoin, the associated risks, and its impact on the future of financial transactions. Consequently, the central question posed is: How might digital currencies influence the future of financial transactions?

Based on this central question, the study topic is divided into two sections: the concept of cryptocurrencies (Section One), followed by an examination of the impact of the cryptocurrency Bitcoin on the future of financial transactions (Section Two).

SECTION ONE: THE CONCEPT OF CRYPTOCURRENCIES

The strength of cryptocurrencies lies in a set of distinctive features and specifications unique to electronic currencies. Below are their most important characteristics:

- They are not backed by any central authority, unlike electronic money, which is subject to central banks.
- Their value is derived from people's acceptance of them as a medium of exchange, a payment mechanism, a store of value, and a tool for contract completion.
- The supply of digital currency is determined through computer protocols, and its networks are not operated by any specific entity or institution.
- Value is transferred from payer to recipient using a peer-to-peer model, without involving an intermediary, allowing for reduced transaction costs, faster processing, and easier transactions. This structure also allows cryptocurrencies to bypass central legal and regulatory oversight.
- The value of cryptocurrencies is determined by supply and demand, although they have no intrinsic value.
- The operational infrastructure of cryptocurrencies relies on blockchain and distributed consensus technology, which is considered the most significant technological innovation since the internet and is expected to bring about a new revolution in business.

Traditionally, money took the form of banknotes and coins, but technology has enabled governments and financial institutions to support physical cash with a currency model based on trust, recording balances and transactions entirely in digital form.

Cryptocurrencies, such as Bitcoin, and the blockchain technology upon which they rely, have spurred interest in digital transactions. Some communities and countries have begun limiting the use of cash and are moving toward fully digital transactions. However, this shift does not necessarily mean their currency itself has become digital; rather, transactions between people occur digitally, while the currency remains in the bank account.

For example, if you are purchasing a product from a seller and decide to pay using a money transfer app, you are paying the seller directly into their bank account. The transaction is digital between you and the seller, but the price of the product is transferred by the bank from your account to the seller's bank account in fiat currency [4].

FIRST REQUIREMENT: ECONOMIC IMPLICATIONS OF USING CRYPTOCURRENCIES[5]

Given the tangible role that digital currencies play in international trade, particularly in financial transactions, and as they have become a real and influential factor on the international stage, the expanding use of these currencies will result in various economic impacts, both positive and negative. Cryptocurrencies are virtual or digital currencies designed to function as a medium of exchange. They use encryption to secure and verify transactions and to control the creation of new units of any particular cryptocurrency. Essentially, cryptocurrencies are limited entries in a database that cannot be altered unless specific conditions are met[6].

SUBSECTION 1: IMPACT ON MONETARY AND FISCAL POLICY

With the emergence and spread of electronic money, economists' views have varied regarding its potential impact, particularly on the ability of central banks to manage and use monetary policy tools effectively.

Digital currencies also have a notable impact on fiscal policy, especially by influencing the expected amount of tax revenue, as monitoring online transactions and trades becomes more challenging.

Since digital currencies are designed[7] as a decentralized system with no central monetary authority controlling their creation, they can be purchased on various platforms and exist outside a regulated payment environment. Therefore, their supply does not depend on the monetary policy of any central bank but evolves based on user activity in the process of mining new coins. Consequently, the purpose of these currencies is clearly defined, meaning that, in theory, no central authority or entity can change it by issuing additional currency.

This could pose a problem for central banks, as their monetary policy may not effectively influence digital currencies. With the increasing prevalence of digital currencies and central banks' limited response, they may lose control over the money supply, consequently losing a key tool for regulating inflation or maintaining price stability. Increased demand for digital currencies as a parallel currency could significantly impact macroeconomic variables[8] .

Digital currencies are also expected to affect fiscal policy, especially in terms of anticipated tax revenue, as monitoring internet-based transactions becomes difficult. Transactions between two parties directly (peer-to-peer), without a financial intermediary (such as banks or credit institutions), create more opportunities for tax and customs evasion, exacerbating the shadow economy phenomenon and influencing economic policies overall [9].

SUBSECTION 2: IMPACT ON FINANCIAL MARKETS

The impact of cryptocurrencies on financial markets extends through the following points:

1. Widening Gap between the Real Economy and the Financial Economy

As digital currency transactions increase, the gap between the real economy—where goods and services are produced and exchanged—and the financial economy, where financial products are bought and sold primarily for profit from price differentials, continues to widen. A study estimated that the volume of money in the financial economy exceeds its volume in the real economy by 30 to 50 times.

2. Effect on the Stability of Payment Systems and Financial Markets

If digital currencies become widespread and grow in economic importance to the point of becoming the primary method for payment settlements, especially for international transactions, and with the growth of e-commerce, it will become challenging to determine the money supply in the economy. This difficulty arises because these currencies are not subject to direct oversight by monetary authorities, potentially having a long-term negative effect on the functioning of payment systems, thereby impacting the stability of financial markets. Additionally, this could lead to inaccurate measurements of money velocity rates [10].

SECOND REQUIREMENT: THE SPREAD OF BITCOIN DURING THE COVID-19 PANDEMIC

While the COVID-19 pandemic disrupted the global economy and restrained vital traditional sectors, it simultaneously ushered in a new financial era based on digital virtual currencies.

FIRST SUBSECTION: IMPACT OF THE COVID-19 PANDEMIC ON DIGITAL CURRENCY

Central banks and private institutions worldwide continue to explore the potential uses of digital currency amid the rise of digital purchases and transactions during the pandemic and the increasing move away from traditional cash transactions.

In a report published by the Spanish magazine Atalayar, it was noted that many governments and citizens considered digital payments an effective transaction method to mitigate the risk of virus spread. For instance, the Central Bank of Kenya removed fees on mobile banking transactions.

During the pandemic, major companies have shown increased interest in cryptocurrencies, particularly Bitcoin, with significant developments such as Tesla's announcement of a $1.5 billion investment in Bitcoin and endorsements from major financial institutions like Mastercard. Several companies already accept Bitcoin as a form of payment, and its value has surged recently—from a level of $6,600 on April 16, 2020, to being traded above $9,000. This increase occurred despite concerns about the global economy due to the pandemic and the various containment measures taken to control virus spread[11] .

This rise in Bitcoin's value is attributed to various factors, including the stock market's recovery, the gradual return of liquidity to markets, and investors' concerns over the stability of traditional currencies in uncertain times, leading them to seek refuge in digital currencies. Bitcoin is expected to reach $15,000 by the end of the following year if widespread lockdowns are imposed across all sectors in different countries[12].

SECOND SUBSECTION: RISKS OF USING VIRTUAL

CURRENCY

Despite its success, several recent reports have warned of the risks associated with cryptocurrencies due to their significant fluctuations over short periods, difficulty in monitoring, securing user devices, and the inability of any authority to control or regulate their market. Some of the risks of using virtual currencies are summarized as follows:

1. Theft and Fraud

Digital currency can be lost through security breaches, user error, or technological failures in the digital wallet. If this occurs, the lost currency cannot be recovered. For example, if someone fraudulently obtains access to a digital wallet's credentials, such as the password, they can spend the currency. Transactions in most cryptocurrencies are irreversible, even if fraudulent or unauthorized.

2. Errors in Transaction Processing

If payments are mistakenly executed, such as sending funds to the wrong recipient, transferring an incorrect amount, or failing to complete a transaction on time due to platform or technical errors, most digital currency systems do not allow for transaction reversals. Users do not have recourse against other parties in such cases. There is no insurance mechanism to compensate wallet holders if the digital platform becomes inaccessible or experiences technical failures.

3. Potential for Money Laundering and Organized Crime

Cryptocurrencies are encrypted currencies where transactions and user identities are recorded only through digital addresses created by the digital currency system. These digital addresses do not reveal the real identities of users, making cryptocurrencies fertile ground for financing criminal activities associated with the internet.

Interestingly, despite these risks, former IMF Managing Director Christine Lagarde commented on digital currencies and their underlying technologies, suggesting that they could provide faster and cheaper financial services and become a powerful tool for deepening financial inclusion in developing countries[13].

SECOND SECTION: THE IMPACT OF BITCOIN ON THE FUTURE OF FINANCIAL TRANSACTIONS

Bitcoin is a digital cryptocurrency comparable to other currencies, like the dollar, but with several fundamental differences. Most notably, it is entirely virtual, traded only online with no physical form, and lacks a regulatory authority behind it. Despite this, it can be used for online purchases and converted into traditional currencies.

FIRST REQUIREMENT: THE CONCEPT OF BITCOIN

The concept of digital currencies emerged years ago as a type of currency available only in virtual form, with characteristics similar to physical currencies. Although various attempts were made in the past, they did not become reality until Bitcoin appeared, capturing attention as one of the most significant digital currencies.

FIRST SUBSECTION: THE HISTORY OF BITCOIN

Bitcoin was introduced in 2008 by a figure known as "Satoshi Nakamoto," who created a website where he published a white paper titled Bitcoin: A Peer-to-Peer Electronic Cash System. In this paper, he detailed how Bitcoin works and its features. In 2009, Satoshi successfully mined the first Bitcoin through a complex computational process and conducted a peer-to-peer transaction with another person, who is believed to be the actual developer of this currency. At that time, Bitcoin's value was set at 1,302.03 Bitcoins per U.S. dollar.

Bitcoin's value surged to $900 in 2013, a year marked by volatility for the currency. A breach of a Bitcoin exchange platform caused losses estimated at around 500,000 Bitcoins owned by users and 100,000 Bitcoins belonging to the platform itself, impacting Bitcoin's reliability and dropping its value back to approximately $300 in 2015[14].

In December 2015, Wired magazine and Gizmodo website investigated claims that Australian entrepreneur Craig Steven Wright was Bitcoin's creator, citing leaked emails, texts, and financial records as evidence.

Financial institutions have varied responses to digital currencies. The World Bank issued a 2007 report on blockchain technology, outlining its operation, benefits, and risks. The bank expressed concerns, particularly regarding privacy and security, as well as legal and regulatory issues, noting the technology needs further development and testing. Meanwhile, the International Monetary Fund (IMF) has not taken an official stance on digital currencies, though it has expressed concerns about two risks: financial integrity, due to the anonymity of parties involved, and financial stability, due to the need for digital currencies to take sufficient precautions to handle financial crises. The Bank for International Settlements has taken a position similar to the IMF's. On the other hand, the European Central Bank expressed interest in issuing a digital euro. A previous European Union report noted that digital currencies do not require regulation due to their limited use and lack of significant risk to central banks, also acknowledging their advantages. In 2020, the Arab Monetary Fund issued a report that

indicated the potential for issuing and using digital currencies, highlighting their substantial benefits while leaving the choice of currency type to Arab central banks based on their infrastructure and objectives[15].

DEFINITION OF BITCOIN

Bitcoin is defined as a "virtual electronic cryptocurrency comparable to official currencies currently in use, such as the dollar and euro, but with key differences, most notably being an entirely electronic currency traded only online with no physical form. It differs from traditional currencies as it lacks a central authority or central bank issuing it" [16].

Bitcoin is not physical; it consists only of numbers and codes transferred between digital wallets, making it difficult to trace the details of transactions or the identities of users. This has made Bitcoin one of the most traded digital currencies in illicit financial activities globally. Its characteristics include:

- Immaterial Existence: Bitcoin has no physical form and no inherent value.
- Non-Regulated Status: It is not backed by any official authority or institution.
- Internet-Based Usage: Bitcoin is used exclusively online within institutions that accept it.
- Convertibility: Bitcoin can be exchanged for fiat currencies, such as the dollar and euro, through encrypted online transactions.
- Direct Trading: Transactions occur directly from one person to another without needing a bank intermediary.

BITCOIN PRICE DEVELOPMENT

Bitcoin's price has experienced significant fluctuations over recent years. Its first recorded trading price was only $0.001 per Bitcoin, with early trading activity being extremely slow. However, Bitcoin exceeded $1 for the first time in February 2011, reaching $1.1. Its price continued to increase over the years, reaching $1,131.97 by the end of 2013. Nonetheless, Bitcoin's value then fell sharply, ending 2015 at approximately $428.

In early 2017, Bitcoin began to attract substantial interest from investors and media, who saw it as an innovative solution for efficient transactions. This heightened interest led Bitcoin to reach record highs, peaking at $19,497 in December 2017. However, its price dropped by over 50% during 2018. By June 2019, Bitcoin surged again, surpassing $13,700—its highest level since the major rise in 2017[17].

Graph on the total market capitalization of digital currencies in US dollars [18]

SECTION TWO: FACTORS AFFECTING BITCOIN'S PRICE

Price fluctuations depend on speculation, gambling, and conjecture, so the risk of loss is very high. Therefore, the United States and China prohibit trading in this currency, while Germany and France allow transactions with it. Some of the factors affecting Bitcoin's price include:

TECHNICAL FACTORS

Although Bitcoin is a decentralized currency, some decisions related to its operation, trading, and development affect its price. Typically, the software used for Bitcoin trading is created by developers and managed by miners. Therefore, an increase in the number of miners leads to a higher supply of Bitcoin, which impacts its value, given the high costs associated with hardware and electricity consumption.

BEHAVIORAL FACTORS

Investor behavior and sentiment play a pivotal role in investment decisions regarding Bitcoin. At times, Bitcoin's

performance may be unrelated to relevant conditions and instead driven by the behavioral biases of investors. One of the most prominent behaviors is the herd behavior, where the primary goal of investors, especially small ones, is to achieve the maximum profit in the shortest time. As a result, when Bitcoin's price rises, they rush to sell it, causing a sharp decline in its price. Conversely, if the price drops, they rush to buy, which drives the price up again.

NEWS AND STATEMENTS

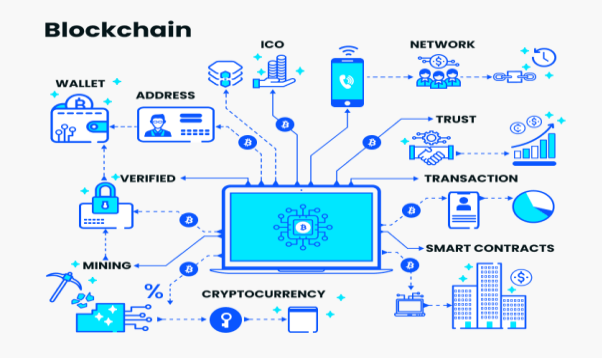
News related to Bitcoin is one of the most important factors determining its value. Events and statements from significant figures can act as a double-edged sword. Bad news leads to doubt among investors regarding Bitcoin, causing them to sell, which results in a downward trend for the currency. Conversely, supportive news can lead to the opposite effect, boosting Bitcoin's price.

REGULATORY AND LEGISLATIVE FRAMEWORKS, AND INTERNATIONAL RECOGNITION

Since the emergence of these currencies, governments have made significant efforts to establish a regulatory framework for virtual currencies. Some have welcomed it, while others, like China and South Korea, have taken an aggressive stance against it. Consequently, lack of regulatory clarity increases price volatility.

Requirement Two: Uses of Blockchain Technology in Financial Transactions

E-commerce currently relies on financial institutions as trusted entities that guarantee all financial transactions, thereby facilitating the mediation process. The use of blockchain in financial transactions helps create a revolutionary economy, especially after the establishment of many e-commerce platforms such as Amazon on a global level[19].



Blockchain technology generally has a great ability to radically change the way business is conducted across all sectors, as it makes transactions more secure, transparent, efficient, and cost-effective. The Blockchain cloud service provides customers with an integrated development platform that enables them to create their own networks, which are quickly integrated with the software services and external applications they currently use. Additionally, it offers the ability to integrate with other blockchain networks. The Blockchain cloud service also allows users to create and join blockchain networks of other parties, apply and deploy smart contracts, update the public transaction ledger, and perform queries on it[20].

Section One: Blockchain Mechanisms In Financial Transactions

Blockchain technology is primarily focused on maintaining an analytical ledger to record accurate financial information and transferring it through blocks to the Hyperledger general ledger, in order to extract balances. The accounting profession, on the other hand, is concerned with measuring and communicating financial information to decision-makers, as well as analyzing the information in financial statements.

Blockchain has the potential to enhance the accounting profession by reducing the costs of maintaining journals, subsidiary journals, ledgers, trial balances, and providing absolute certainty about the preservation of these records. Additionally, Blockchain can help accountants gain clarity about resources and liabilities available to their organizations, freeing up resources to focus on planning and evaluation, rather than record-keeping. Furthermore, Blockchain will lead to more transaction-level accounting, not only by accountants but by other relevant parties. Instead, successful accountants and tax experts will be those who assess the real economic interpretation of Blockchain records, connecting the ledger to economic reality and evaluation. For example, Blockchain may confirm the existence of a debtor, but the recoverable value and economic value are still open to discussion. In the near future, it is possible that all financial transactions, including buying and selling, will be completed using digital

currencies like Bitcoin (BTC) or Ethereum (ETH)[21].

FIRST: USING BLOCKCHAIN IN E-COMMERCE

In terms of integration with business operations, Blockchain can be utilized in various ways beyond just processing online payments and its ability to integrate with new business systems.
On the other hand, the key points can be summarized as follows:

1. Ease of Use

Digital currencies based on Blockchain technology are extremely user-friendly compared to traditional currencies, as individuals do not need to register with an additional regulatory body. Furthermore, the process is free from extra costs.

2. Effectiveness

Blockchain technology has the ability to integrate product images and descriptions, online payments, inventory management, and other business operations.

3. Security

Blockchain technology is considered one of the most secure systems for online databases, ensuring that they cannot be modified.

4. Transaction Speed

Traditional transactions take a long time to process. For example, transferring money across countries or continents may take several days, but Bitcoin-based transactions are faster and less costly.

RISKS OF DIGITAL CRYPTOCURRENCIES IN FINANCIAL TRANSACTIONS

Despite the attention Bitcoin received in its early months within the traditional business circle, e-commerce merchants who may lean towards accepting Bitcoin payments must be cautious of Bitcoin's volatile system. Since Bitcoin is a highly volatile currency, e-commerce traders must be mindful of its sharp daily price drops. This can pose a loss for traders who rely entirely on their daily trade capital.

1.1 Risks of Money Laundering and Terrorism Financing

Due to its anonymous nature, Bitcoin and other cryptocurrencies can encourage evasion of rules related to money laundering and terrorism financing by hiding the identities of transactions that could be used for criminal purposes, such as the sale of illegal goods or services online, or for money laundering or terrorism financing. For example, in France, the body responsible for handling intelligence information and combating secret financial networks clearly identified the use of cryptocurrencies, especially Bitcoin, as a source of money laundering and terrorism financing risks. On the international level, the Financial Action Task Force (FATF), after its meeting on June 19, 2013, issued guidelines on new payment methods that also highlighted the risks of money laundering and terrorism financing related to redeemable or exchangeable cryptocurrencies. In the United States in 2013, legal action was taken by the FBI leading to arrests of platform providers suspected of money laundering and tax fraud. In October 2013, U.S. judicial authorities shut down Silk Road, an anonymous online marketplace for drugs, where a large portion of Bitcoin transactions occurred, as it was the only accepted payment method on this platform.

1.2 Risks of Price Volatility and Imbalance

Due to the limited increase in the number of Bitcoins in circulation, this currency can be used as a speculative tool. Additionally, Bitcoin may seem to some investors as a value haven, as seen in the Cypriot crisis. However, four main elements limit the use of Bitcoin as an investment tool:

- The long time required for significant transactions and the lack of investment funds based on Bitcoin, despite some limited initiatives proposing Bitcoin-based investment products. For example, the Winklevoss Bitcoin Trust, which was subject to an initial public offering in the U.S. by the Securities and Exchange Commission.
- The strong volatility of Bitcoin's price, which is relatively uncorrelated with most traditional assets and highly dependent on user confidence.
- The lack of backing for Bitcoin's value through any real activity or underlying asset.
- A significant legal risk associated with its status as an unregulated currency.

1.3 Lack of Digital Consumer Protection

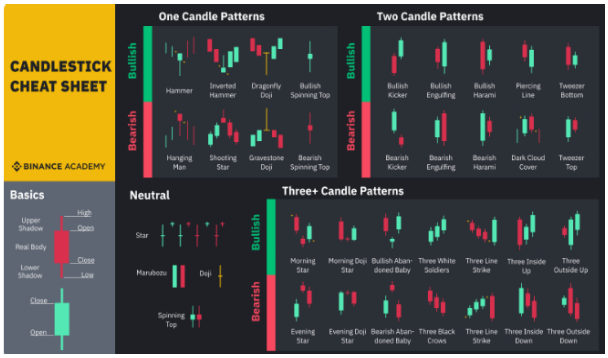
The severe volatility of cryptocurrencies is one of the potential concerns for individual and professional speculators,

requiring them to be aware of the associated risks, especially since:

- There is no authority overseeing the security of electronic wallets that store cryptocurrencies. In this context, wallet owners have no legal recourse if their digital assets are stolen by hackers.
- The convertibility of cryptocurrencies to legal tender cannot be guaranteed by any central authority, which is necessary for realizing speculative profits. Investors can only recover their funds if other users are willing to buy Bitcoin. Therefore, the system can collapse at any time when investors can no longer convert their digital assets into liquidity[22].

SECTION TWO: THE MOST COMMON PRICE MOVEMENT CHART PATTERNS FOR DIGITAL CURRENCIES

Price movement charts are a type of graphical method used to describe the price movements of assets and were first developed in Japan during the 18th century. They have been used for centuries to identify patterns that may indicate the direction of asset prices. Today, digital currency traders use price movement charts to analyze historical price data and predict future price movements.



Individual price movement charts form patterns that can signal the likelihood of price increases, decreases, or stability. These patterns provide insight into market trends and potential trading opportunities[23].

In a price movement chart, the candlestick contains a body and two lines, often referred to as price fluctuation lines, wicks, or shadows. The body of the candlestick represents the range between the opening and closing prices during that period, while the price fluctuation lines, wicks, or shadows represent the highest and lowest prices reached during that period.

A green body indicates that the price has increased during this period, while a red body indicates a bearish candlestick, signifying that the price has decreased during that period[24].

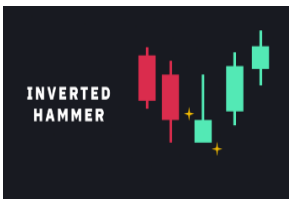
It is worth noting that some Western countries have officially recognized digital currencies.

In the United States, the Uniform Virtual Currency Business Law was enacted in 2017 to provide a legal framework for regulating all activities related to virtual currencies. This law includes provisions for licensing and regulating companies that focus on exchanging and converting virtual currencies. In Germany, digital currency was officially recognized in 2013, and it was considered money usable in trade. Profits made by businesses dealing with digital currencies are subject to taxes, while individuals using them are exempt. Japan also officially recognized digital currencies as a means of payment, allowing individuals and entities to trade and acquire them without restrictions, and tax is applied to them. South Korea's Financial Services Commission established a system for the issuance of digital currency. Additionally, the National Assembly in Ecuador passed a law granting the government the right to pay amounts in digital currency, justifying it by stating that the move would stimulate the country's economy and support the central bank's assets.

In China, since 2014, efforts have been made to make digital currency a reality. To achieve this, the People's Bank of China filed 84 patents aimed at integrating digital currency into current settlement transactions between banks. They also developed algorithms to control the supply of this currency[25].

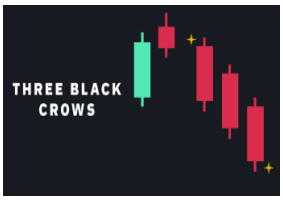
BULLISH CANDLESTICK PATTERNS

Bullish Price Movement Patterns[26]	
1- **Explanation of Various Bullish Price Patterns**	Price Movement Images

A- **Hammer**: This is a candlestick with a long lower wick at the bottom of a downtrend. The length of the wick is at least twice the size of the body of the candle. The hammer pattern indicates that despite strong selling pressure, optimistic traders pushed the price back to a level close to the opening price. The hammer can be red or green, but green hammers may indicate a stronger bullish response.	
B- **Inverted Hammer**: This pattern resembles the hammer but has a long upper wick instead of a lower one. Like the regular hammer, the upper wick should be twice the size of the candlestick body. The inverted hammer occurs at the bottom of a downtrend and could signal a potential upward movement. The long upper wick suggests that the price halted its downward movement, although sellers eventually managed to bring the price back near the opening level. The inverted hammer might indicate that buyers could soon take control of the market.	
C- **Three White Soldiers**: This pattern consists of three consecutive green candles, each opening within the body of the previous candle, near a level that exceeds the high of the previous candle. These candles should have little to no lower wicks, indicating that persistent buying pressure is pushing the price higher. The size of the candles and the length of the wicks can help determine potential continuation or reversal opportunities.	
D- **Ascending Triangular Formation**: This pattern involves a large red candle followed by a smaller green candle completely contained within the body of the prior red candle. It can unfold over two days or more. This pattern signals that the selling momentum is slowing and may be nearing its end.	

BEARISH PRICE MOVEMENT PATTERNS[27]

Bearish Price Movement Patterns	
1- **Explanation of Various Bearish Price Patterns**	**Price Movement Images**
A- **Hanging Man** is the bearish equivalent of the Hammer pattern. The Hanging Man pattern typically forms at the end of an uptrend and consists of a small body with a long lower wick. The lower wick indicates a strong selling movement, but optimistic traders managed to regain control and push the price higher. With this in mind, sell-offs after a long uptrend can serve as a warning that bullish traders may soon lose momentum in the market.	
B- **Shooting Star**: The Shooting Star consists of a candlestick with a long upper wick, a short or nonexistent lower wick, and a small body, usually near the top. It resembles the Inverted Hammer but forms at the end of an uptrend. The Shooting Star indicates that the market has reached a peak, but sellers took control and pushed the price down. Some traders prefer to wait for the next candles to confirm the pattern before ating.	

C- **Three Black Crows**: This pattern consists of three consecutive red (bearish) candlesticks, each opening within the body of the previous candle and closing below the low of the last candle. It is the bearish equivalent of the Three White Soldiers pattern. Ideally, these candles should not have long upper wicks, indicating that continued selling pressure is pushing the price lower. The size of the candles and the length of the wicks can be used to determine the likelihood of continuation.	
D- **Bearish Harami**: The Bearish Harami pattern consists of a long green (bullish) candlestick followed by a shorter red (bearish) candlestick that is fully contained within the body of the previous candlestick. The Bearish Harami can develop over two days or more and appears at the end of an uptrend, possibly indicating a decline in buying pressure.	
E- **Dark Cloud Cover**: The Dark Cloud Cover pattern consists of a red (bearish) candlestick that opens higher than the close of the previous green (bullish) candlestick, but closes below the midpoint of the previous candlestick. This pattern is usually accompanied by a large volume, indicating that momentum may be shifting from the uptrend to a downtrend. Traders may wait for the third candlestick to confirm the pattern.	

CONCLUSION:

Dealing with a virtual currency issued by anonymous individuals, exchanged under pseudonyms, and without any financial authority overseeing it, brings inherent risks such as its use in money laundering, drug trafficking, or organized crime activities. Additionally, it may lead to more financial frauds and pose economic risks, such as threatening global monetary stability.

The following recommendations have been drawn from this research paper:

1. **International Authorities' Responsibility**: International financial bodies, especially the International Monetary Fund (IMF), should take the initiative to establish guidelines and regulations that integrate this new technology with the global monetary system. These regulations should contribute to providing effective solutions that do not undermine the growth of emerging markets, businesses, or financial innovations.

2. **Further Research and Development**: Researchers should conduct more studies and research to help understand and develop this new monetary tool, with the goal of improving its use while minimizing its drawbacks.

3. **Issuance of Awareness Guidelines**: Institutions should issue guidelines to raise awareness about the risks of these digital currencies, along with mandatory instructions to prevent their use until international regulations and standards are established.

4. **Protection Mechanisms and Transaction Oversight**: There is a need to establish mechanisms that ensure the protection of the rights of transaction parties and, at the same time, provide oversight to prevent illegal transactions.

5. **Regulating the Digital Financial Market**: To regulate the financial and monetary market, it is essential to develop central-bank-controlled digital currencies, such as the digital Euro or digital Yuan, which would be subject to the control of central authorities.

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