

# 'All hell will break loose': The crypto market will boom again in 2018 according to the CEO of American Express-backed startup Abra

**Source:** Business Insider

- **Crypto market has more than halved in size since the start of the year.**
- **Abra CEO Bill Barhydt thinks Western institutional investors will start investing this year and provide price support.**
- **"Once the floodgates are opened, they're opened."**

The founder of a Silicon Valley-based cryptocurrency business said the sector will boom again this year once big investors watching from the sidelines move into the market.

Abra CEO Bill Barhydt told Business Insider: "I talk to hedge funds, high net worth individuals, even commodity speculators. They look at the volatility in the crypto markets and they see it as a huge opportunity. Once that happens, all hell will break loose.

He added: "Once the floodgates are opened, they're opened."

Cryptocurrencies exploded in popularity and price before Christmas but the market has declined in size from over \$800 billion at its peak in mid-December to \$300 billion today.

The slump in prices has coincided with a decline in Google search traffic for crypto-related topics, which closely correlates with prices.

Despite market wobbles, Barhydt is confident that prices will recover later this year as institutional investors such as hedge funds and asset managers begin to dip their toes into crypto. Speaking to Business Insider this week during a trip to Europe, Barhydt pointed out that some Japanese financial institutions began investing in crypto at the end of last year and that was partially behind the price rally at the time.

"There really is zero large-scale institutional money from the west in crypto right now," Barhydt said. "That is happening in Japan. Once a large sizable chunk of Western institutional money starts to come in — watch out.

"Institutional interest is now starting to grow regardless of the Google trends."

Barhydt said institutional investment in assets like bitcoin or ethereum will create a "halo effect" for the wider crypto market and he said: "That's going to happen this year I think."

Regulators around the world have been moving to crack down on cryptocurrency markets, which have been plagued by scams and hacks. The US Securities and Exchange Commission has in recent weeks reportedly begun looking at hedge funds that have invested in cryptocurrencies. Barhydt is unphased by this and believes regulation will actually help encourage institutional investors.

"We're getting closer and closer to real clarity in the West that it's OK putting half a percent of your assets into crypto," he said.

While half a percent is a tiny amount of exposure for big investment firms, it could still work out at hundreds of millions of dollars, which would be a huge boost to crypto markets, Barhydt said.

Abra is a digital wallet designed for smartphones that lets people around the world buy and hold up to 20 cryptocurrencies and 50 fiat currencies.

Barhydt, a serial entrepreneur, founded the business in 2014 and it has raised \$40 million in funding from the likes of American Express, Fidelity's venture capital arm, and Foxconn, the Asian manufacturer of parts for Apple.

Abra expanded its offering from bitcoin and ethereum to its current suite of 70 crypto and fiat currencies earlier this month. Barhydt said the reception has been better than Abra expected and he said the fact that successful launches are possible in a down market demonstrates the resilience of the crypto space.

"People are really interested in altcoins, what's going to be the next big thing," he said. "We weren't expecting the growth to be this fast."