

Cryptocurrencies Market Slump After Hackers Steal Bitcoin Worth \$41 Million From Binance Exchange

Cryptocurrencies market dropped by almost 1% in the early trading hours on Wednesday, after news emerged that bitcoin worth \$41 million were stolen from Binance Exchange, one of the world's biggest cryptocurrency exchange.

The market cap of cryptocurrencies lost nearly \$1.6 billion in value within hours, down from \$187 billion to \$185.4 billion amidst the decline of all major cryptocurrencies which are down by 0.6% to more than 8%.

Binance coin, currently the seventh biggest cryptocurrency by market cap, was the most affected one among the top 10 cryptocurrencies as it lost about 6.4% from its value to fall to \$20.84 from \$22.26 yesterday. Meanwhile Bitcoin, which is currently the most valuable cryptocurrency in the market, declined by 0.74% to trade below \$5,887.

Binance confirmed today that 7,000 bitcoins worth nearly \$41 million were withdrawn in one transaction by hackers. The breach impacted their bitcoin hot wallet, which contained about 2% of their total bitcoin holdings.

The company will review its security system and suspended all the transaction for the time being as the hackers used a variety of techniques, including phishing, viruses and other attacks.

No users' funds will be affected by the breach, and the lost funds will be covered by the Secure Asset Fund for Users (SAFU), as the company confirmed in a statement.

The breach threatens the soft recovery that the cryptocurrencies market had started to make in 2019. The market gained about \$55.8 billion this year to reach \$184.8 billion, compared to \$129 billion at the end of 2018.

The hack comes after Binance coin outperformed the bitcoin this year, by soaring nearly 300% to hit \$23.69 compared to \$5.99 at the beginning of the year. The incident also comes as Binance is preparing for the public launch of a fully decentralized version of its services.

Weiss Ratings, the only financial rating agency that rates cryptocurrencies in the world, has suggested that Binance Coin could be the next bitcoin due to it dictating the direction of the market in recent weeks.

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