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Tornado Cash Price Prediction: TORN Plummets After US Crackdown

The Tornado Cash (TORN) price fell from around \$31 to \$16 after being banned by U.S. government. Is it a good time to buy low?



Tornado Cash (TORN) tokens have dropped nearly 50% in price since news of the U.S. government crackdown and ban broke this week.

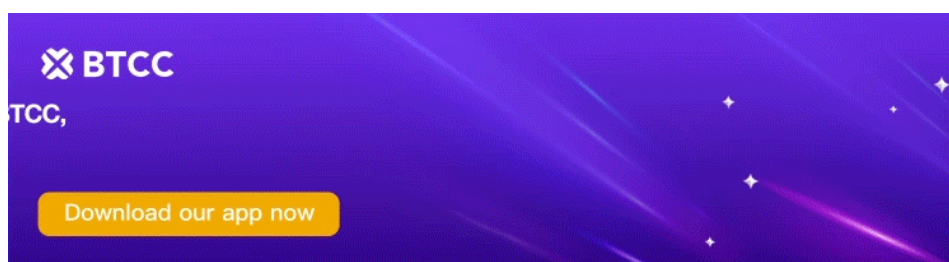
The TORN token fell from around \$31 to \$16 as news on August 8 made headlines around the world, including the New York Times.

Tornado Cash Is Blacklisted - Latest News

The US Treasury Department blacklisted the decentralized privacy solution, alleging it has been used to launder \$7 billion of cryptocurrency stolen in scams and cybercrime. TORN is its governance token, and its value reflects investor confidence in the platform.

‘Treasury is sanctioning Tornado Cash, a virtual currency mixer that launders the proceeds of cybercrimes, including those committed against victims in the United States. Despite public assurances, Tornado Cash has repeatedly failed to impose effective controls designed to stop it from laundering funds for malicious cyber actors on a regular basis and without basic measures to address its risks.

This includes over \$455 million stolen by the Lazarus Group, a Democratic People’s Republic of Korea (DPRK) state-sponsored hacking group that was sanctioned by the U.S. in 2019, in the largest known virtual currency heist to date. Tornado Cash was subsequently used to launder more than \$96 million of malicious cyber actors’ funds derived from the June 24, 2022 Harmony Bridge Heist, and at least \$7.8 million from the August 2, 2022 Nomad Heist.’



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Tornado Cash (TORN) Price Forecast

A 50% drop in such a short period of time could be a result of market inefficiencies and overreaction or “FUD” (fear, uncertainty and doubt) due to the crackdown - so \$TORN would be a good buying opportunity.

Tornado Cash Bullish Case

The Tornado Cash platform has a unique use case and utility. Its smart contracts break the on-chain link between recipient and destination addresses, so that it’s impossible to track where funds are sent - no electronic paper trail - with the use of zero knowledge proofs (zk-SNARKs) to achieve that privacy.

It is true that its technology is used by criminals to obfuscate transactions and escape tracking when laundering stolen funds. For example when the Bored Ape Yacht Club Instagram was hacked and [NFT](#) holders phished by scammers.

However as commentators in the crypto market have pointed out, laundering of fiat currency by big

banks is much more commonplace.

There are many proponents of privacy coins or tokens related to anonymity within the cryptocurrency space – many would argue, as @bantg does in the thread above, that privacy needs to be normalized.

From a fundamental analysis standpoint, some crypto investors see that as an inevitability – which would make TORN token a good buy now.

Tornado Cash Bearish Case

On the other hand, the privacy coins narrative has been around for years, surrounding coins like Monero ([XMR](#)), ZCash (ZEC) and others for years and not yet materialized.

Many investors that decided to buy privacy coins are now down on their investment – the market can stay irrational longer than you can stay insolvent. Altcoins can trend down for years – ZEC is down massively since 2016.

XMR has a better price chart but as of August 2022 is still priced at levels seen in the middle of the 2017 bull run.

Technical Analysis of TORN Token

Tornado Cash token today has a live market cap of under \$20 million, ranked outside the top 600 crypto coins on CoinMarketCap.

Nothing about TORN price is bullish as it has been printing lower highs and lower lows since its all time high of just over \$400 in February 2021.



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Is It a Good Time to Buy TORN Token Now?

It's possible TORN is in a reaccumulation cycle before a move to the upside to take out some highs at around the \$80 levels but conservative investors would wait for TORN token to first recover to

reclaim the \$40 level and flip it as support before entering a position.

If Tornado Cash token can do and flip its market structure bullish - macro higher highs and higher lows - then the TORN price forecast would be better.

Only 11% of the total supply of 10,000,000 TORN tokens is unlocked - the circulating supply now is 1.1 million. Token unlocks can deflate price further.

One of the best performing assets currently is the native token of a centralized platform - Binance Coin - outperforming the native coins of DEX platforms like UNI, CAKE, DEFC etc. The main exchange TORN token is traded on is Binance, which now displays risk warnings for its TORN trading pairs.

The currently 2022 low for TORN against USDT on Binance is \$15.63, hit in June 2022 when [Bitcoin](#) dropped to \$17,600 and [Ethereum](#) under \$900. TORN didn't break that low this week, bouncing at \$15.83.

Circle Also Blacklisted Tornado Cash

Circle, the company behind USDC, has also blacklisted all Ethereum addresses owned by Tornado Cash - meaning USD Coin can't be used on Tornado Cash anymore. The effect of that may not yet be priced in - it's difficult to make a Tornado Cash price prediction after such as massive event.

Investors that rushed to buy the dip when [Terra \(LUNA\)](#) crashed 50% over the space of a few days lost a lot more as it went on to collapse over 99.99%.

There are both bullish and bearish cases for Tornado Cash. Some argue that a Tornado Cash ban and more regulation is a positive move for the reputation and continued legalization of cryptocurrency.

Since Circle made that move the market cap of decentralized [stablecoins](#) has significantly increased as investors divest from centralized stablecoins like USDC.



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Alternatives to Tornado Cash

Is Tornado Cash a good investment? Until more price action emerges and the market has had time to react to the recent FUD and TORN forms a new trading range, it is hard to say.

Another option for trading or holding assets like Tornado Cash for years in hopes of recovery is to invest in a new crypto project while it is pre-sold.

One we recently reviewed is [Tamadoge](#), a high-utility meme coin and the rewards token of an upcoming play-to-earn crypto game.

The most explosive bull markets in cryptocurrencies are usually made not by assets with interesting technical and industrial applications - although this is the case with Solana, for example - but by meme cryptocurrencies with mass appeal.

Dogecoin and Shiba Inu, for example, outperformed the cryptocurrency market last year because retail investors FOMO into them. Those who ask “what is Tornado Cash” but don’t understand its usefulness will hit market buy on a dog crypto with funny memes - a reason billionaire Elon Musk gave in a recent Full Send podcast appearance.

Speculating on new cryptocurrencies currently in pre-sales or ICOs is usually more profitable than trying to make for example a long-term Tornado Cash price forecast based the slow adoption of privacy tokens.

Read More:

[Tamadoge \(TAMA\) Meme Coin Presale: Will It Be Next Dogecoin?](#)

[Tamadoge Meme Coin Raises \\$1 Million Soon- Where to Buy It?](#)

[Pi Network Launch Date: When Will Pi Coins Enter The Market?](#)

[Pi Network Mainnet: When Is Pi Coin Launching?](#)

[Pi Cryptocurrency Review: Is Pi Network a Scam?](#)