

# Deposit to earn rewards

Sign up and deposit to receive up to **10,055 USDT** in bonuses.  
Exclusive for new users only.

Get it now

## [ PDF Database Document ] - BTCC Cryptocurrency Exchange

Original:

<https://www.btcc.com/en-US/academy/research-analysis/bitcoins-rollercoaster-july-highs-lows-future-outlook-bjx>

### Bitcoin's Rollercoaster July: Highs, Lows, & Future Outlook



Our [Bitcoin](#) July recap unveils a month full of dramatic price swings, booming network activity, and mixed results for various ecosystem sectors.

July witnessed Bitcoin's wild price fluctuations, hitting new highs before crashing down. Dig into this report to uncover the primary forces behind these shifts and discover other notable advancements in the Bitcoin sphere over the past month.

From market drivers to ecosystem updates, we've got you covered on all the essential Bitcoin news

from July.

- [What Is Bitcoin?](#)
- [Bitcoin Price Rollercoaster: July Highs and Early August Lows](#)
- [VanEck Predictions Bitcoin as Cornerstone of Global Trade and Central Banking](#)
- [Booming On-Chain Activity Meets Declining TVL](#)
- [Institutional Interest in Bitcoin ETFs Surges](#)
- [Bitcoin Ecosystem Sees Broader Utility and Investment Growth](#)
- [Bitcoin Mining in Flux: Network Difficulty, New Miner Strategies](#)
- [Zero-Knowledge Progress Fuels Bitcoin DeFi Innovation](#)
- [Bitcoin Ordinals Sales Plummet to New Lows](#)
- [Bitcoin's Path Ahead](#)
- [Conclusion](#)

## What Is Bitcoin?

Bitcoin (BTC), a decentralized cryptocurrency, serves as a digital currency and payment method, operating independently from any individual, organization, or government authority. This innovative system eliminates the necessity for third-party intermediaries in financial deals, streamlining transactions.

First introduced to the public in 2009 by the mysterious Satoshi Nakamoto, either a sole developer or a group, Bitcoin has since become globally recognized as the premier cryptocurrency. Its popularity has inspired the creation of numerous other digital currencies. Miners on the blockchain are rewarded with Bitcoin for validating transactions, and it can be easily acquired through various exchanges.

The rise of Bitcoin not only revolutionized financial transactions but also paved the way for a new era of cryptocurrencies.

## Bitcoin Price Rollercoaster: July Highs and Early August Lows

Bitcoin (BTC) kicked off July at \$63,530, experiencing a notable price dip to \$54,420 (-14%) on July 5. This decline was largely catalyzed by the sale of substantial BTC tranches worth \$3 billion by the German state of Saxony, spanning from June 19 to July 12, and the ensuing social media buzz.

Contributing further to the downturn were factors like the upcoming creditor repayment obligations of the bankrupt Mt. Gox exchange and a slowdown in Bitcoin exchange-traded fund (ETF) inflows. However, the cryptocurrency staged a remarkable rally later in the month, peaking at \$69,697 on July 29.

This represented a 28% surge, marking the highest trading point for BTC since June 13, when it briefly touched \$70,000 but encountered resistance and retreated. The month concluded on a strong note at \$66,614. The price appreciation can be traced back to the successful launch of Ether ETFs on July 23, along with other positive market developments.

On July 27th, President Donald Trump reiterated his support for cryptocurrency at the Bitcoin 2024 conference in Nashville. The GOP presidential nominee vowed to establish a "strategic Bitcoin reserve" and prohibit the sale of the U.S.'s current BTC holdings if elected in November.

Trump also threatened to dismiss SEC Chair Gary Gensler. However, despite Trump's bullish speech and President Joe Biden's withdrawal from the presidential race, Bitcoin experienced a significant

downturn in August, dropping to a six-month low of \$51,267, a 23% decrease from its July high. This downturn was mirrored in the broader crypto market, which lost a staggering \$510 billion in total market cap, wiping out over 60% of the 2024 gains for the top 50 cryptocurrencies. The sell-off was so intense that it erased most of the year's profits for a majority of the leading digital assets. In the wake of Trump's speech, the crypto markets seemed poised for a breakthrough, but the subsequent sell-off sent shockwaves through the industry.

As Bitcoin hit a six-month low, investors and analysts scrambled to understand the reasons behind the sudden downturn. Was it a market correction, a reaction to global economic uncertainties, or simply profit-taking after a period of rapid growth? Whatever the case, one thing is clear: the crypto markets remain volatile and unpredictable, and even the most bullish of political speeches can't always buck the market trends. The broader crypto market's \$510 billion loss in total market capitalization underscores the risks and rewards inherent in this emerging asset class.

**Bitcoin Price Rollercoaster: July Highs and Early August Lows.** The total crypto market value took a hit, shrinking from approximately \$2.57 trillion on July 27 to roughly \$2.01 trillion on August 5. This significant drop was mirrored by a broader downturn in both the altcoin and stock markets, primarily driven by various negative macroeconomic factors. Specifically, an interest rate hike in Japan, the stock market crash, deteriorating U.S. employment data, and escalating geopolitical tensions in the Middle East all played a role.

However, as of August 12, Bitcoin showed signs of recovery, climbing back to \$59,200. This rebound has sparked renewed optimism among Bitcoin analysts, who are now bullish on BTC's potential to reach even higher levels. CryptoQuant CEO Ki Young Ju, for instance, expressed confidence that if Bitcoin can maintain a price above \$45,000, it has the potential to reach a new all-time high. It's also worth noting that during this volatile period,

Bitcoin's dominance in the market surged to 59.63% on August 5, but then decreased to 48.46% just three days later on August 8. Currently, the total cryptocurrency market cap has recovered somewhat, standing at \$2.22 trillion, indicating a possible stabilization after the recent turbulence.

## **VanEck Predictions Bitcoin as Cornerstone of Global Trade and Central Banking**

Investment management firm VanEck predicts a \$61 trillion market capitalization for Bitcoin by 2050, valuing each coin at approximately \$2.9 million. Driven by the expectation that Bitcoin will become a cornerstone asset for global trade and central bank reserves, VanEck analysts Matthew Sigel and Patrick Bush foresee a significant increase in Bitcoin's market value.

According to their July 24 report, Bitcoin has the potential to settle 10% of worldwide international trade and 5% of domestic trade by 2050. Furthermore, they anticipate that central banks might allocate 2.5% of their holdings to the cryptocurrency. VanEck's analysts also predict a substantial role for Bitcoin's Layer 2 solutions, estimating their combined market value to reach around \$7.6 trillion by 2050.

These scaling technologies are deemed essential in overcoming Bitcoin's present scalability constraints, thus enabling widespread adoption. The bullish Prediction reflects a growing confidence in Bitcoin's future as a global trade asset and a potential store of value for central banks.

## **Booming On-Chain Activity Meets Declining TVL**

Bitcoin network activity saw a notable surge in July, with monthly transactions jumping by 13% compared to June, amounting to a staggering 19.51 million. This uptick was marked by two distinct peak periods, where weekly transaction volumes hit 720,4k and 718,3k on July 5 and July 25, respectively.

Despite this initial momentum, a substantial decline ensued, with weekly transactions falling by 33.5% to 477.2 by August 8. Concurrently, the number of active Bitcoin wallets experienced significant volatility in July, exhibiting weekly fluctuations amidst an overall monthly growth trend. The 7-day moving average (7DMA) of active wallets reached a high of 755k on July 20, preceding the launches of Ether ETFs and the Bitcoin 2024 conference, before dipping to 695k by July 28. Following the broader market downturn, this metric bounced back to 751k on August 6. Ultimately, the total monthly count of active Bitcoin wallets rose by 12% in July, reaching 22.43 million. While on-chain activity showed signs of life, it's worth noting that the total value locked (TVL) in Bitcoin witnessed a decline, highlighting a divergence between transaction volumes and value held within the network.

The monthly number of new Bitcoin addresses increased in July, jumping 13% from 7.97 million to 9.02 million. On July 3, this metric peaked weekly with a 7DMA of 329.8k new addresses, though it later dipped to 270.8k on July 14. Despite this fluctuation, an upward trend persisted until a slight decrease occurred after August 2, aligning with the Japan stock market crash. Meanwhile, Bitcoin's total value locked (TVL) experienced a significant decline. Starting at \$989.2 billion on July 1, it steadily decreased to \$724 billion by July 31, representing a substantial 26.8% drop in just one month. By August 5, the TVL had further plummeted to \$538.9 billion. Interestingly, Bitcoin futures' open interest climbed steadily in July, hitting a monthly high of \$37.49 billion on July 29 across all exchanges. This trend underscores investors' growing appetite for the world's largest cryptocurrency. Nevertheless, following the global stock market tumult, this number dipped to \$26.65 billion in August, reflecting the broader market uncertainty.

6 marked one of the steepest negative spikes in open interest over the past two years. On July 19th, retail interest in Bitcoin hit a three-year low, prompting analysts to debate the role of individual investors in driving substantial price hikes for the cryptocurrency. Many argue that significant price gains for Bitcoin hinge on renewed interest from retail investors. Meanwhile, institutional investors have been increasingly buying Bitcoin in bulk.

Ki Young Ju, CryptoQuant's founder, pointed out a notable surge in over-the-counter Bitcoin trading, suggestive of potential institutional stockpiling. In a July 17th X post, Ju reported that whale wallets – those holding over 1,000 Bitcoin, including spot ETFs and custodians – have amassed 1.45 million Bitcoin in 2023, boosting their cumulative holdings to 1.8 million Bitcoin.

This impressive accumulation now accounts for roughly 9% of the circulating Bitcoin supply. Ju emphasized that weekly inflows to these significant investors have now eclipsed their entire 2021 Bitcoin acquisitions. As institutional interest grows, the crypto market eagerly awaits a resurgence in retail demand to potentially catalyze the next Bitcoin price surge.

Although Blockchain.com's data reveals notable daily fluctuations in the total USD trading volume on prominent Bitcoin exchanges, the overall trend remains relatively steady. On August 6th, this volume surged to over \$1.14 billion, marking a remarkable 317.5% increase within 24 hours. Such a significant jump in trading activity, occurring alongside a global stock market tumble, underscores the crypto market's responsiveness to broader economic and regulatory shifts, emphasizing its dynamic and interconnected nature with the global financial landscape.

## **Institutional Interest in Bitcoin ETFs Surges**

July witnessed billions of dollars flooding into spot Bitcoin ETFs, marking a significant surge in institutional interest. From July 5 onward, inflows maintained a positive trajectory, culminating in a remarkable single-day net inflow of 530.2 million dollars on July 22. Notably, BlackRock's iShares Bitcoin Trust (IBIT) recorded its highest net inflow since March 13, amassing \$526.7 million on that day. However, the tide turned as Bitcoin ETFs subsequently encountered outflows, primarily

attributed to the Grayscale Bitcoin Trust ETF (GBTC).

Jeroen Blockland, the founder of Blockland Smart Asset Fund, described the influx as “baffling,” highlighting that it surpassed the inflows of the “magnificent seven” stocks in 2024. This phrase, borrowed from the 1960s American Western film “The Magnificent Seven,” refers in this context to Microsoft, Apple, Tesla, Amazon, Meta, Alphabet, and Nvidia, rather than the original cowboys. According to Farside data, Bitcoin ETFs experienced a net outflow of \$89.7 million on August 9, indicating a shift in the market dynamics.

Grayscale’s GBTC recently experienced a notable daily outflow of \$77 million, adding to its total historical outflow of \$19.45 billion. However, its newly SEC-approved Bitcoin Mini Trust ETF (BTC) saw a positive inflow of \$15.6 million, accumulating \$266 million since its launch. Meanwhile, BlackRock’s IBIT also witnessed inflows, increasing by \$9.6 million. Despite these varying flows, Bitcoin ETFs maintain a total net asset value of \$55.1 billion.

Representing 4.6% of Bitcoin’s total market value, these ETFs have amassed a cumulative net inflow of \$17.3 billion. Notably, BlackRock’s IBIT leads the pack with the highest investment, holding \$20.3 billion in Bitcoin and commanding over 50% of the market share. July 2024 marked a surge in institutional investors’ interest in Bitcoin ETFs, underscored by several significant events that highlight a growing appetite for this asset class.

## **Bitcoin Ecosystem Sees Broader Utility and Investment Growth**

July 2024 wasn’t just about Bitcoin ETF investments. The month witnessed groundbreaking advancements in the Bitcoin ecosystem, expanding its reach far beyond conventional financial boundaries. These developments are pushing Bitcoin towards a new era of financial innovation and global acceptance.

### **Capula Invests Nearly \$500M in Bitcoin ETFs**

July 2024 wasn’t just about Bitcoin ETF investments. The month witnessed remarkable expansions in the Bitcoin ecosystem, extending its reach beyond conventional financial boundaries. This progress signaled broader utility and a surge in investment growth for the cryptocurrency.

### **BitGo Adds Stacks Support**

Bitcoin rewards app Fold is set to join the ranks of publicly listed companies on Nasdaq. In a deal worth \$365 million, Fold announced its plans to merge with FTAC Emerald Acquisition on July 24th.

This strategic move not only opens up new opportunities for Fold in the public markets but also positions it for potential expansion, marking a significant milestone in the company’s growth trajectory. With this merger, Fold is poised to take its place among the leading players in the cryptocurrency and finance industry.

# Bitcoin Mining in Flux: Network Difficulty, New Miner Strategies

Bitcoin miner revenue has taken a significant hit in recent months. Following robust earnings of \$1.93 billion in March, April saw a slight dip to \$1.79 billion. However, the Bitcoin halving event caused a sharp 46% decline in May, with miners earning just \$964 million. This downward spiral continued in June and July, with revenues stabilizing at \$963 million and \$951 million, respectively. The sustained drop in income underscores the predicaments miners face in the prevailing market situation.

Meanwhile, in July, the Bitcoin network difficulty decreased to 79.49 trillion, offering miners a temporary breather. This metric indicates how challenging it is to mine a fresh blockchain block. During this period, miners like MARA, Bitfarms, and Riot capitalized on the reduced computational demands for transaction validation, thereby boosting their profitability. Nevertheless, from August 1st onward, the network difficulty surged by over 10.5%, posing new challenges for the mining community.

The network difficulty has reached an unprecedented level of 90.66 trillion, posing significant challenges for miners to maintain efficient operations. According to the latest data from CryptoQuant, a notable trend has emerged: Bitcoin miners are increasingly choosing to hold their Bitcoin instead of selling them. This behavior was further confirmed in July, as indicated by a rise in the 7DMA of average coin inflow into miners' affiliated wallets. Such a decision not only reflects a bullish sentiment regarding the future price of the cryptocurrency but could also represent a calculated strategy to bolster their financial position in the face of market uncertainties and the current downward trend in mining profitability. In essence, miners are adapting to the evolving landscape by retaining their Bitcoin, potentially signaling a longer-term commitment to the asset and its underlying value.

## Zero-Knowledge Progress Fuels Bitcoin DeFi Innovation

Despite being in its early stages, the Bitcoin DeFi ecosystem made remarkable progress in July, highlighted by advancements in privacy technology. Platforms integrated zero-knowledge proofs, bolstering user anonymity and demonstrating the ecosystem's potential for further growth and innovation. These developments signal a promising future for Bitcoin DeFi.

## Bitcoin Maintains Transaction Dominance

Data from Dune Analytics shows that despite the emergence of Layer 2 protocols on the Bitcoin network, the OG Bitcoin still outperforms them in daily transaction volume. While the Runes protocol made a splash after its April launch, briefly handling over half of Bitcoin's transactions for 13 days, its momentum has since faded significantly.

This trend indicates that although Layer 2 solutions promise added value, they've yet to consistently beat out the main chain in transaction throughput. In fact, "Good old Bitcoin" remains a force to be reckoned with, accounting for a substantial chunk of overall transactions. Specifically, in July, Bitcoin processed over 90% of all blockchain transactions, further cementing its position as the leader in this domain.

As of Aug. 6, Bitcoin's dominance reached 91.7%, with Runes trailing at 4.3%, and BRC-20 and

Ordinals following closely at 3% and 2%, respectively. Clearly, Bitcoin remains the king of transactions in this ever-evolving crypto landscape.

## **Bitcoin Ordinals Sales Plummet to New Lows**

The global NFT market persists in its downward spiral, with July threatening to log the lowest monthly sales since November 2023. Data from CryptoSlam reveals that digital collectible sales in July have dipped to 429.8 million, with daily transactions lingering under \$14 million.

Delving deeper, Bitcoin, despite ranking third in NFT sales volume by blockchain after Ethereum and Solana in July, saw a precipitous drop in its NFT sales, sliding almost 50% compared to the previous month. Having hit a whopping \$708 million in April, the sales volume has been on a steady decline, decreasing by 147% in May and a further 147% in June. Alarming, the July sales figure of \$77.3 million marks an astonishing 815% fall from the April high.

Furthermore, the stats uncover that the Bitcoin network drew approximately 49.4k buyers and 35.6k sellers of NFTs in July, with Bitcoin Ordinals NFT transactions surpassing 119.4k.

Bitcoin Puppets, a collection rooted in Bitcoin Ordinals, was the lone survivor among the top 10 NFTs ranked by trading volume in July. Although the collection raked in over \$8.9 million in sales by July 31, it witnessed a steep drop of almost 30% from the prior month. This significant decrease indicates shifting market trends and investor sentiment towards NFTs, with Bitcoin Ordinals sales hitting new lows.

## **Bitcoin's Path Ahead**

July 2024 was a month of contrasting fortunes for Bitcoin. Positive news, like the launch of Ether ETFs and Trump's endorsement, sparked an initial price surge, only to be interrupted by a market downturn in August. Amidst this volatility, Bitcoin's underlying network witnessed a boost in transaction volumes and new user addresses, indicating robust activity.

Additionally, institutional investors demonstrated escalating interest in Bitcoin ETFs, pouring significant funds into the market. Ahead, Bitcoin's path is shaped by multiple factors. Regulatory clarity holds the key, as it can nurture innovation and safeguard investors. The sustained interest from institutional investors, bolstered by recent ETF approvals, is pivotal for Bitcoin's price stability and future growth.

Technological advancements, like the enhanced scaling solutions from StarkWare and BitcoinOS, are crucial for overcoming Bitcoin's constraints and broadening its applications. However, it's essential to weigh challenges like the scalability of Layer 2 solutions and the wider economic landscape, even as Predictions from investment firms like VanEck hint at substantial price increases.

Additionally, the downturn in Bitcoin Ordinals sales and the overall NFT market could influence investor attitudes. Ultimately, broader economic trends, including inflation and interest rate policies, will persistently mold the entire cryptocurrency market, thereby affecting Bitcoin's value.

The challenges faced by miners, including declining revenue from the Bitcoin halving and escalating network difficulty, are likely to have a significant impact on Bitcoin's overall ecosystem.

Furthermore, the mining sector is undergoing a consolidation phase, with major players like Riot Platforms acquiring competitors, potentially altering the industry's competitive dynamics.

This shift could not only reshape the mining landscape but also have implications for Bitcoin's security and decentralization, two core pillars of its value proposition. As these developments unfold, it remains to be seen how the Bitcoin community and market participants will adapt to these

evolving challenges and opportunities.

## Conclusion

Bitcoin witnessed substantial price swings, beginning at \$63,530, scaling a peak of \$69,697, and then sharply dipping to \$51,267 in the early part of August. Multiple forces contributed to this turbulence, such as the launch of Ether ETFs, regulatory developments, and the global stock market tumble.

Notably, July witnessed significant capital infusions into Bitcoin ETFs, with BlackRock's iShares Bitcoin Trust (IBIT) receiving a record inflow of \$526.7 million on July 22. The Bitcoin network also showed remarkable vitality in July, with transactions increasing by 13% to hit 19.51 million, the count of active wallets rising by 12% to 22.43 million, and new Bitcoin addresses growing by 13% to reach 9.02 million.

However, miner revenue saw a decline from \$1.93 billion in March to \$951 million in July, indicating prevalent challenges in the mining industry. Furthermore, on August 1, the network difficulty escalated by over 10.5%, touching an unprecedented high of 90.66 trillion.

Despite the growth of Layer 2 solutions, Bitcoin retained its dominance in July, processing over 90% of transactions on its network. However, Bitcoin-based NFT sales have experienced a significant drop, falling nearly 50% from the previous month to \$77.3 million in July.

This marks a steep decline from the April peak of \$708 million, indicating a possible shift in the NFT market trend. Despite Bitcoin's continued transaction dominance, the NFT sales slump suggests changes in investor behavior and market dynamics.