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Crypto Market Crash: 5 Key Insights Driving Bitcoin & Altcoins' Decline

*Learn the main causes of the current **cryptocurrency** market meltdown as concerns about a potential recession and global unrest cause **Bitcoin, Ethereum, and other altcoins** to plunge.*

Key Takeaways:

- Today's severe crypto market fall resulted in substantial value losses for Bitcoin and Ethereum.
- Fears of a recession have been aroused by the decrease following poor job data in the US.
- Furthermore, FUD in the cryptocurrency market may have resulted from the stock market fall.

The crypto market's selling pressure is getting worse in the first week of August. The bears started the market's fear, uncertainty, and doubt (FUD) over recession and geopolitical conflict in the Middle East when the price of Bitcoin reversed from \$70,000. As Ethereum fell below \$3000 on Friday due to this increased sell pressure, sentiment in most major altcoins saw a fresh downturn. The five main causes of the crypto market fall today are these.

- [Disappointing Nonfarm Payrolls Data: What Does It Mean for the Economy?](#)
- [Rising Recession Fears: What's Next?](#)
- [Bitcoin Long Liquidations: What Are They?](#)
- [Stock Market Decline: What's Behind the Fall?](#)
- [Bitcoin and Ethereum ETFs See Significant Outflows](#)

1. Disappointing Nonfarm Payrolls Data: What Does It Mean for the Economy?

The most recent data on nonfarm payrolls in the United States showed that July's job growth was far lower than expected, at 114,000. The jobless rate also surprisingly increased for a fourth straight month, reaching 4.3%.

“This is likely the correct response,” says Jeffrey Rosenberg of BlackRock. Worries over the future of the economy have been heightened by a series of dismal data releases. Speculation about a slowdown has been fueled by weaker-than-expected jobs data, which has had an effect on risk assets like cryptocurrency.

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2. Rising Recession Fears: What’s Next?

Economist Peter Schiff has added fuel to the fire of recession worries stoked by the dismal jobs report. If anything, rate cuts will make inflation even hotter, according to Schiff, but they won’t do much to help the economy or jobs. Stop thinking about stagflation like your dad did. That’s far worse!

His remarks underscore concerns that possible rate reduction by the Federal Reserve may hasten inflation rather than avert a recession. The current crypto market fall was precipitated by these worries, which in turn increase market volatility generally.

Schiff went on to say that Spot Ethereum ETFs were failing investors because of the persistent withdrawals from these products. He went on to say that if things continue like this, the price of ETH would re-enter the \$2,000 range. The price of Ethereum is just near \$3,000 right now.

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3. Bitcoin Long Liquidations: What Are They?

In the last day, long liquidations have surged in the bitcoin market. Of all the market liquidations, 90% involved long holdings, which were liquidated for about \$241.07 million. Prices of cryptocurrencies have been under increasing downward pressure due to this massive selling of holdings.

The precipitous decline in the price of bitcoin (from \$65,000 to \$60,000) is further evidence of the substantial effect of liquidation. Data from Coinglass also showed that long positions worth almost \$1 billion were liquidated due to the 14% decline in BTC price over the previous five days.

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4. Stock Market Decline: What's Behind the Fall?

The crypto market meltdown has been exacerbated by the general stock market decline. Stocks took a nosedive on August 2 as concerns about an impending economic slump were stoked by a jobs data that was lower than expected. To close at 5,346.56, the market index as a whole fell 1.84%. Moreover, the

The Nasdaq Composite closed at 16,776.16, a decrease of 2.43%. Its fall from its most recent peak is now above 10%. In addition, the Dow Jones Industrial Average finished the day at 39,737.26, down 610.71 points, or 1.51%, with a session low of 9,89 points. The crypto market may have been affected by the stock market fall.

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5. Bitcoin and Ethereum ETFs See Significant Outflows

Contributing to the market's problems, exchange-traded funds (ETFs) for Bitcoin and Ethereum have both seen substantial outflows. On August 2, a total of \$80.4 million left Bitcoin ETFs, bringing the weekly total to \$237.4 million. Ethereum exchange-traded funds, however, had daily outflows of \$54.3 million and weekly outflows of \$169.4 million.

On Friday, \$61.4 million left Grayscale's ETHE. Genesis Trading's bankruptcy payouts in BTC and ETH, along with these negative ETF flows, may have intensified the crypto market meltdown.

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BTCC is one of the few exchanges in the market that offers high-leverage options for investors and concentrates extensively on futures trading. Users have access to more than 300 USDT-margined

perpetual trading pairs, which encompass numerous prominent altcoins and meme-coins. Additionally, the platform has recently implemented spot trading to facilitate novice users who may not be acquainted with futures trading.

- **Established Reputation:** BTCC is one of the oldest and most well-known cryptocurrency exchanges, having been operational since 2011. Its history in the market enhances its credibility and trustworthiness.
- **A Diverse Selection of Cryptocurrencies:** BTCC allows customers to access and exchange a wide range of digital assets.
- **Margin and Futures Trading:** BTCC provides margin and futures trading options, allowing customers to expand their trading holdings and potentially increase their profits.
- **Proficient Trading Instruments:** such as real-time market data, trading charts, and technical analysis indicators. These tools can help users make informed trading decisions.
- **Security Measures:** BTCC values security and uses a variety of safeguards to secure customer payments and information. This includes two-factor authentication (2FA) and cold storage of cryptocurrency assets.

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- [Bitcoin \(BTC\) Price Prediction 2024, 2025, 2030 — Is BTC a Good Investment?](#)
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