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The Dollar Keeps Weakening — Is the Next Bitcoin Bull Run Coming?

Summary

Since the beginning of this year, the U.S. Dollar Index (DXY) has continued to decline, prompting global capital to seek new safe-haven assets. Bitcoin, widely recognized as “digital gold,” is once again in the spotlight. Easing macro conditions combined with Bitcoin’s inherent scarcity may signal that a new entry window is opening — how should investors position themselves?

Main Text

Since early 2025, the U.S. Dollar Index (DXY) has shown a clear downward trend, drawing the attention of investors worldwide. The sustained weakness of the dollar not only signals declining confidence in the greenback but also typically implies a repricing of risk or safe-haven assets. Against this backdrop, Bitcoin (BTC), often dubbed “digital gold,” has naturally become a market focal point.

1. Core Reasons Behind the Dollar’s Decline

A declining Dollar Index generally reflects expectations of slower U.S. economic growth, lower interest rates, or looser monetary policy. Recently, the Federal Reserve has kept rates unchanged, but Chair Jerome Powell has clearly indicated that inflation is trending downward and economic growth is slowing — suggesting that rate cuts may be on the table.

According to the latest data from the U.S. Bureau of Labor Statistics, in May 2025, the U.S. Consumer Price Index (CPI) rose by just 0.1% month-over-month, lower than the market forecast of 0.2%. Core CPI also rose by only 0.1%, noticeably below the previous expectation of 0.3%. This has further strengthened market expectations of a rate cut within the year. CME interest rate futures currently imply a 76.3% probability that the first cut will come in September.

In this environment, the Dollar Index has come under significant pressure — falling from 110.5 at the start of the year to around 97, a decline of about 12.2%. The weaker dollar reflects fading risk aversion and increased demand for inflation-hedging assets.



2. Historical Correlation Between the Dollar Index and Bitcoin

Historical data shows a clear negative correlation between the Dollar Index and Bitcoin prices: when the Dollar Index declines, Bitcoin often performs strongly.

For example, from March 2020 to April 2021, driven by the Fed's ultra-loose monetary policy, the Dollar Index fell sharply from 103 to around 89, a drop of more than 13%. Over the same period, Bitcoin surged from about \$7,000 to over \$60,000, a gain of over 750%. A similar trend appeared from March 2023 to early 2024, when the Dollar Index dropped from 104 to 95 while Bitcoin rose from \$16,000 to \$40,000.

These historical phases highlight that a weakening Dollar Index often coincides with strong Bitcoin rallies. In summary, during periods of dollar weakness, investors tend to turn to Bitcoin as a hedge against fiat depreciation, reinforcing its role as a safe-haven and inflation hedge.

3. Why Has Bitcoin's Rally Been Limited This Time?

Despite historical patterns suggesting that a weaker dollar benefits Bitcoin, its performance this time has been relatively subdued. BTCC market data shows that since early May, Bitcoin has been fluctuating widely between \$100,000 and \$109,000, without repeating its past explosive gains.



Key factors include:

Capital flow into gold: Recent geopolitical tensions, especially worsening conditions in the Middle East, have driven gold prices higher, attracting significant safe-haven capital.

Slower ETF inflows: According to the latest CoinShares data, as of mid-June, Bitcoin ETF inflows have slowed, down 25% compared to the previous period — signaling increased institutional caution toward Bitcoin’s short-term trajectory.

Profit-taking pressure: As Bitcoin approached its historical highs, some large holders chose to lock in gains, putting downward pressure on short-term prices.

4. Medium- to Long-Term Outlook for Bitcoin

Despite short-term weakness, Bitcoin still holds strong medium- and long-term upside potential.

- **Macro environment:** Expectations of Fed rate cuts are strengthening, and a globally accommodative monetary backdrop is likely to continue. According to Goldman Sachs, major central banks are expected to enter rate-cutting cycles from the second half of 2025 through early 2026, increasing fiat currency depreciation pressure — a long-term positive for Bitcoin.
- **Scarcity remains unchanged:** Bitcoin’s maximum supply is capped at 21 million coins, with more than 90% already issued. As issuance decreases yearly, its role as an inflation hedge becomes even stronger — keeping it attractive to institutions and long-term investors as a store of value.
- **Clearer regulatory environment:** The recent passage of a stablecoin regulatory bill by the U.S. Senate signals that the country’s digital asset regulation is moving into a clearer phase, which should create a more stable environment for long-term capital inflows.

5. Investment Recommendations

Considering the dollar’s trend, Bitcoin’s short-term pressures, and its long-term fundamentals, the BTCC analyst team believes Bitcoin may continue to trade sideways or experience mild corrections in the near term. Investors are advised to avoid chasing prices too aggressively and to manage positions carefully.

Looking ahead, the backdrop of a weakening dollar and expectations of sustained monetary easing should remain supportive for Bitcoin in the long term. Investors could consider gradually increasing

positions during market pullbacks.

Key areas to watch:

- Latest updates on Fed policy, especially the timing of the first rate cut in the second half of 2025;
- Changes in Bitcoin ETF inflows, which directly reflect institutional sentiment;
- Geopolitical risks and gold price trends, which may influence capital flows in the short term.

6. Final Thoughts

A persistently weaker dollar fundamentally supports Bitcoin, and historical data backs up this trend. Although short-term capital shifts and profit-taking can impact sentiment, the medium- to long-term outlook remains positive. Therefore, investors should approach the market rationally and cautiously, using volatility as an opportunity to accumulate Bitcoin gradually for steady returns.

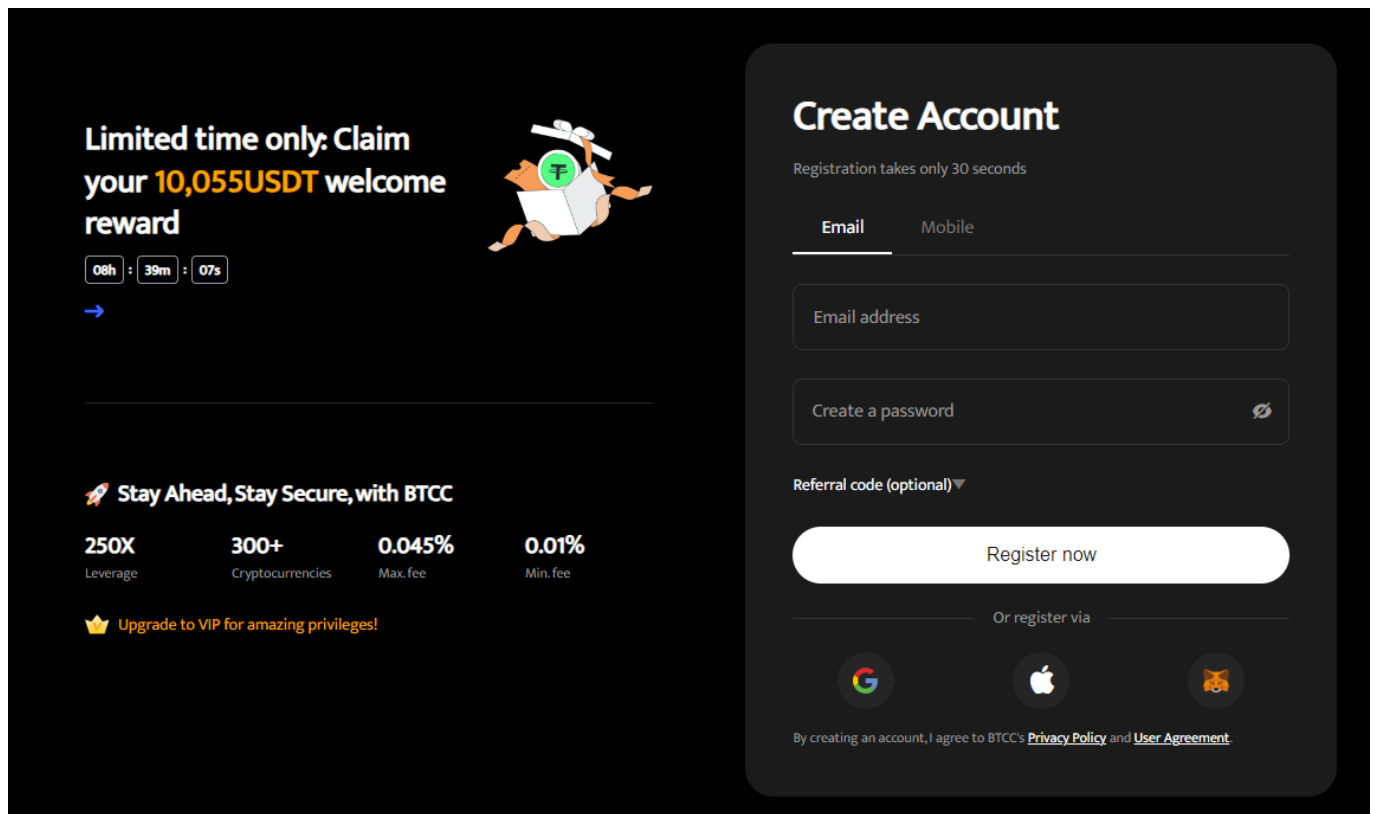
Risk Disclaimer: This content is for reference only and does not constitute investment advice or a trading recommendation. The market carries risk — please trade with caution and manage your positions wisely.

How to Trade Crypto on BTCC?

This brief instruction will assist you in registering for and trading on the BTCC exchange.

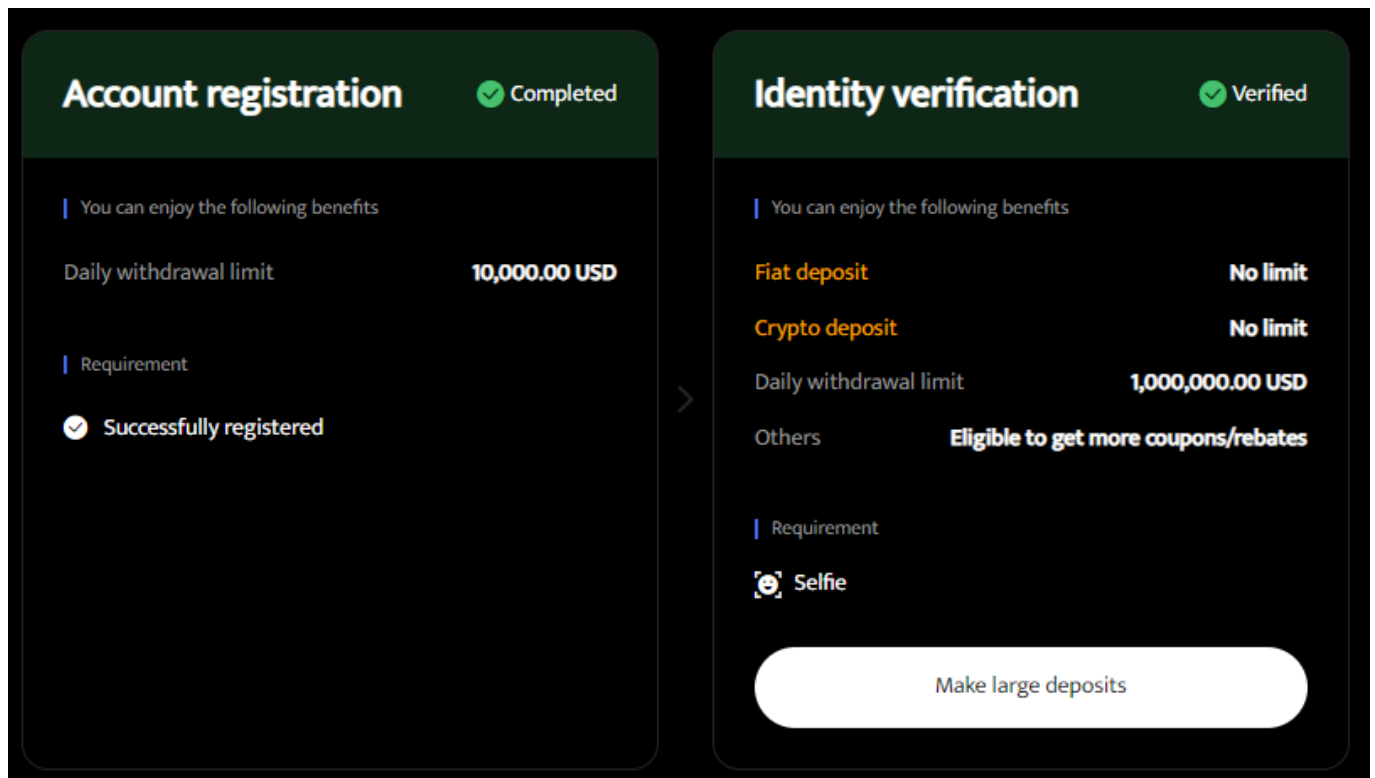
Step 1: Register an account

The first step is to hit the “Sign Up” button on the BTCC website or app. Your email address and a strong password are all you need. After completing that, look for a verification email in your inbox. To activate your account, click the link in the email.



Step 2: Finish the KYC

The Know Your Customer (KYC) procedure is the next step after your account is operational. The main goal of this stage is to maintain compliance and security. You must upload identification, such as a passport or driver's license. You'll receive a confirmation email as soon as your documents are validated, so don't worry—it's a quick process.



Step 3. Deposit Funds

After that, adding money to your account is simple. BTCC provides a range of payment options, such as credit cards and bank transfers. To get your money into your trading account, simply choose what works best for you, enter the amount, and then follow the instructions.

- **Fiat Deposit.** Buy USDT using Visa/Mastercard (KYC required).
- **Crypto Deposit.** Transfer crypto from another platform or wallet.

Fund Your Account



I don't have crypto assets



Fiat Deposit

Fund your account with USDT using Visa/Mastercard



P2P

Buy and sell cryptos with flexible payment methods and 0 transaction fees.



I have crypto assets



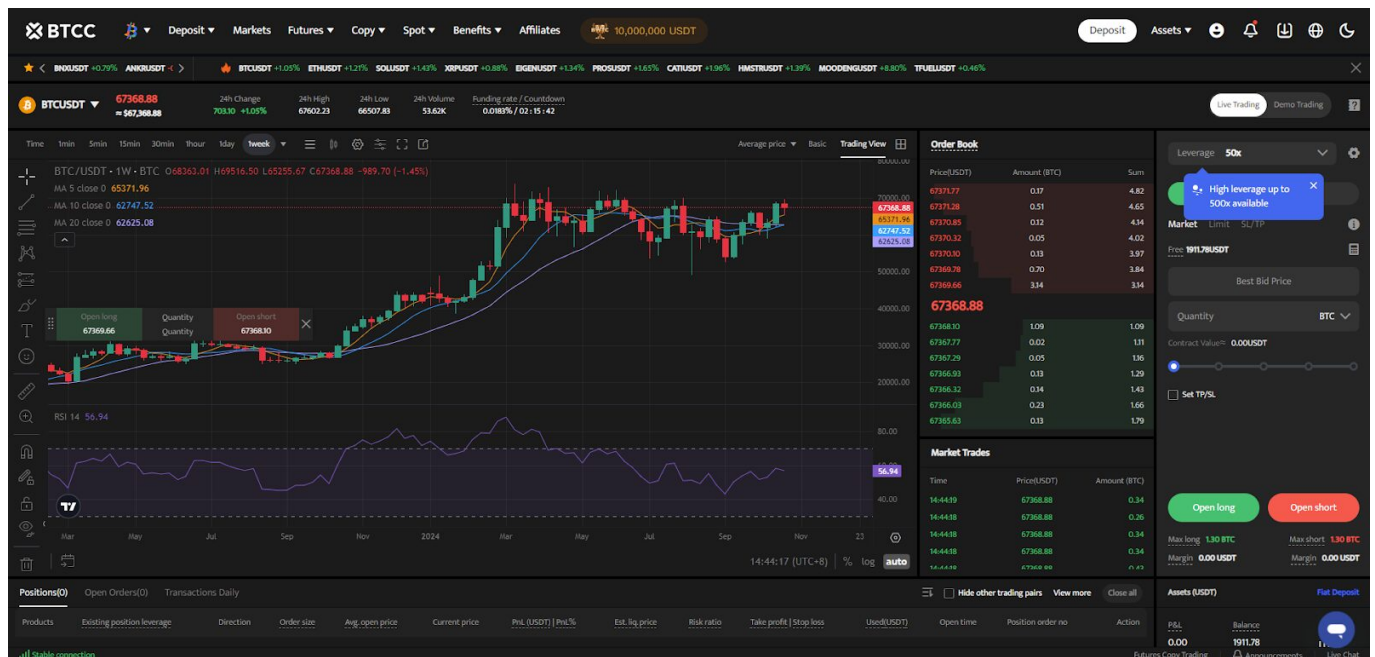
Crypto Deposit

Get the deposit address for BTC, ETH, or any other crypto and deposit via the blockchain.



Step 4. Start Trading

If you wish to follow profitable traders, you might go for copy trading, futures, or spot trading. After choosing your order type and the cryptocurrency you wish to trade, press the buy or sell button. Managing your portfolio and keeping track of your trades is made simple by the user-friendly interface.



Look more for details: [How to Trade Crypto Futures Contracts on BTCC](#)

BTCC FAQs

Is BTCC safe?

Based on its track record since 2011, BTCC has established itself as a secure cryptocurrency exchange. There have been no reports of fraudulent activity involving user accounts or the platform's infrastructure. By enforcing mandatory know-your-customer (KYC) and anti-money laundering (AML) procedures, the cryptocurrency trading platform gives consumers greater security. For operations like withdrawals, it also provides extra security features like two-factor authentication (2FA).

Is KYC Necessary for BTCC?

Indeed. Before using BTCC goods, users must finish the Know Your Customer (KYC) process. A facial recognition scan and legitimate identification documents must be submitted for this process. Usually, it is finished in a few minutes. This procedure has the benefit of strengthening the security of the exchange and satisfying legal requirements.

Because their accounts will have a lower daily withdrawal limit, those who do not finish their KYC are unable to make deposits. It should be noted that those who present a legitimate ID without a facial recognition scan will likewise have restricted withdrawal options.

Is There a Mobile App for BTCC?

Indeed. For users of iOS and Android, BTCC has a mobile app. The exchange's website offers the mobile app for download. Since both the web version and the mobile app have the same features and capabilities, they are comparable.

Will I Have to Pay BTCC Trading Fees?

Indeed. BTCC levies a fee for trade, just like a lot of other centralised exchanges. Each user's VIP level, which is unlocked according to their available money, determines the different costs. The BTCC website provides information on the charge rates.

Can I Access BTCC From the U.S?

You can, indeed. According to its website, BTCC has obtained a crypto license from the US Financial Crimes Enforcement Network (FinCEN), which enables the cryptocurrency exchange to provide its services to investors who are headquartered in the US.

According to BTCC's User Agreement document, its goods are not allowed to be used in nations and organisations that have been sanctioned by the United States or other nations where it has a licence.

BTCC Guide:

- [How to Trade Crypto Futures Contracts on BTCC](#)
- [BTCC Guide-How to Deposit Crypto on BTCC?](#)
- [What is Crypto Futures Trading - Beginner's Guide](#)
- [What is Leverage in Cryptocurrency? How Can I Trade at 100X Leverage?](#)
- [BTCC Review 2024: Best Crypto Futures Exchange](#)

Crypto Buying Guides:

- [How To Buy Bitcoin \(BTC\)](#)
- [How To Buy Pico](#)
- [How To Buy Ethereum \(ETH\)](#)
- [How To Buy Dogecoin \(DOGE\)](#)
- [How To Buy Pepe Coin \(PEPE\)](#)
- [How To Buy Ripple \(XRP\)](#)

Crypto Prediction:

- [Ethereum \(ETH\) Price Prediction 2024, 2025, 2030 — Will ETH Reach \\$10,000?](#)
- [Ethereum Price Prediction 2024, 2025, 2030: How High Can ETH Go in 2024?](#)
- [Bitcoin \(BTC\) Price Prediction 2024, 2025, 2030 — Is BTC a Good Investment?](#)
- [Ripple \(XRP\) Price Prediction 2024, 2025, 2030 — Will XRP Reach \\$1 After SEC Lawsuit?](#)
- [Pi Coin Price Prediction 2024,2025,2030 — Is Pi Coin a Good Buy?](#)
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