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Stellar's Price Rally Stalls as Selling Pressure Builds and Technical Signals Waver

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Stellar (XLM), the digital asset created for fast and low-cost cross-border payments, has seen its recent rally come under strain as mounting outflows and bearish signals begin to weigh on price momentum. After climbing steadily in recent weeks, altcoin is now struggling to break through the critical \$0.50 resistance level, a threshold that could determine its near-term trajectory.

The cryptocurrency, which operates on the Stellar Lumens (XLM) blockchain network, has shown increased volatility over the past 24 hours. The cryptocurrency, which operates on the Stellar Lumens (XLM) blockchain network, has shown moderate intraday swings, moving about 1–2% over the past 24 hours. A key technical indicator, the Parabolic Stop and Reverse (SAR), a tool used by traders to gauge trend direction has shifted above the candlesticks, suggesting that the market is beginning to lean bearish. This development indicates that sellers are gaining the upper hand, and if the trend continues, XLM could face further downward pressure.

However, it's not all gloom for Stellar. A Golden Cross, another widely monitored indicator that occurs when a short-term moving average crosses above a long-term one, is currently active on the charts. This pattern typically signals long-term bullish momentum. While it may not immediately counteract short-term selling, it does suggest underlying strength that could support a recovery if market conditions stabilize.

At the macro level, sentiment around Stellar remains mixed. The Chaikin Money Flow (CMF), which measures buying and selling pressure by tracking volume-weighted inflows and outflows, had reached an eight-month high just last week as a sign of strong investor interest and capital movement into XLM. However, the indicator has started to dip, hinting at cooling enthusiasm and a possible decline in buyer support.

Despite the recent softening, the CMF remains above the zero line, meaning inflows still marginally outpace outflows. But if the CMF crosses below that threshold, it would be a clear signal that sellers are dominating the market. Despite the recent softening, the CMF remains above the zero line, meaning inflows still marginally outpace outflows. But if the CMF falls below zero, it would indicate that outflows are dominating, confirming a bearish shift. In that case, Stellar's price would likely retreat further, validating the bearish trend now emerging on several fronts.

Stellar's broader appeal, low transaction fees, fast settlement times, and growing utility in financial services remains intact. But as is often the case in crypto markets, strong fundamentals don't always shield a coin from technical corrections and shifting sentiment. With key indicators sending conflicting signals, traders and investors will need to watch closely in the coming days for confirmation of either a renewed rally or a deeper pullback. With key indicators sending conflicting signals, traders should monitor resistance around \$0.50 and supports near \$0.43–\$0.45 for clues on whether a breakout or pullback unfolds.

For now, Stellar remains on the edge caught between technical resistance and weakening momentum. Whether it can regain upward traction will depend on how the broader market responds to evolving economic signals and whether buying interest can return in force.