

## MicroStrategy Stock Falls Below Key Level

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MicroStrategy (MSTR) shares slipped to a five-month low on Wednesday, closing at \$326 and falling beneath a critical technical benchmark watched by traders: the 200-day moving average. The decline has sparked renewed debate over whether the company's stock can regain momentum, particularly as bitcoin, its core asset focus, has shown relative resilience.

The 200-day moving average, calculated by smoothing closing prices over roughly nine months of trading, is widely regarded as a long-term indicator of strength or weakness. When a stock trades above this level, it is often viewed as being in an uptrend. Dropping

below it can suggest waning momentum or a shift in sentiment. For MicroStrategy, that threshold sits at \$340, meaning Wednesday's close placed the stock roughly 4% under its key support level.

This level has historically acted as an important reference point for the company. During the so-called "Trump tariff tantrum" in April 2025, MicroStrategy tested the 200-day line before rebounding. A similar scenario unfolded in mid-2024, when the stock found a floor at the same level and then moved higher in subsequent months. Whether the latest drop proves temporary or marks the beginning of a deeper downturn remains uncertain.

Market observers point to bitcoin's price as a major factor. The cryptocurrency has been relatively stable compared to MicroStrategy's stock, with bitcoin down just 3.5% over the past month. In contrast, MSTR shares have lost 21% over the same period, widening the gap between the digital currency and the software company that has built its reputation around holding large amounts of bitcoin on its balance sheet.

Prominent short-seller James Chanos has been vocal in his skepticism about the firm. In recent weeks, Chanos disclosed that he had taken a significant short position in MicroStrategy, betting against the stock while going long on bitcoin. His strategy has been paying off so far, given the sharp divergence between the performance of MSTR shares and the underlying cryptocurrency.

Technical analysts also highlight the underperformance relative to other bitcoin-related instruments. J.C. Parets, a well-known market technician, noted on Wednesday that the ratio between MicroStrategy shares and BlackRock's spot bitcoin ETF (IBIT) had dropped to a five-month low. "This one is accelerating quickly," Parets commented, emphasizing the speed at which MicroStrategy has been losing ground compared to direct bitcoin exposure.

The company, led by executive chairman Michael Saylor, has become one of the most closely watched corporate players in the cryptocurrency space. Since 2020, MicroStrategy has steadily accumulated bitcoin, turning itself into a proxy for investors looking for stock market exposure to the digital asset. That positioning has made the stock highly sensitive to bitcoin's price swings, while also leaving it vulnerable when investors perceive a disconnect between the company's strategy and broader crypto-market trends.

With the current dip below the 200-day moving average, traders will be watching closely to see if MicroStrategy can recover as it has in previous market pullbacks. For now, the

divergence between the company's stock and bitcoin itself is fueling debate over whether MicroStrategy's role as a bitcoin proxy remains attractive or if direct cryptocurrency holdings present a safer bet.