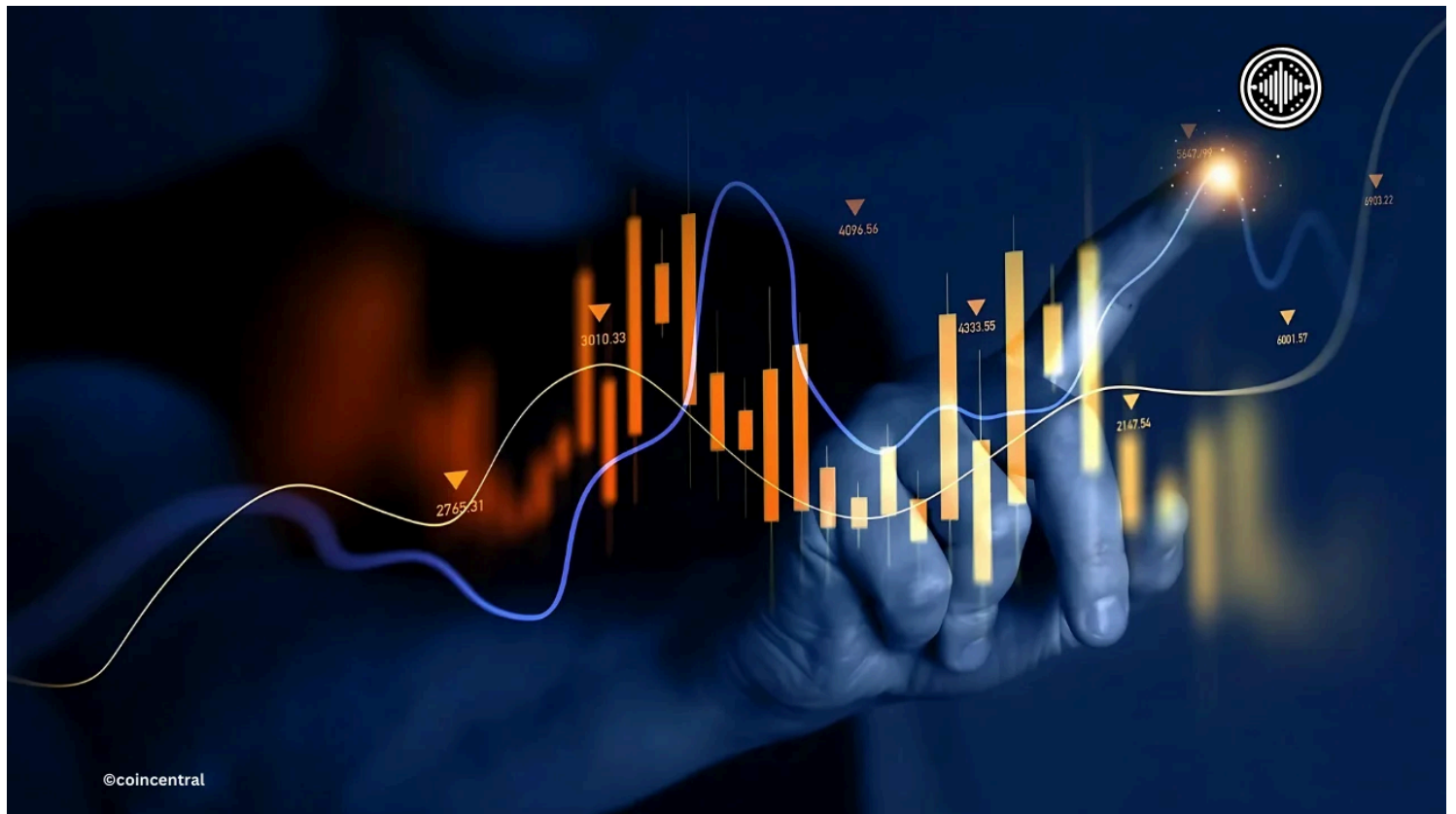


Crypto Markets Retreat Ahead of Jackson Hole

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Cryptocurrency markets faced a sharp pullback this week as traders adjusted positions ahead of Federal Reserve Chair Jerome Powell's speech at the Jackson Hole Economic Symposium. Over the past 24 hours, more than \$270 million in liquidations hit the market, largely impacting Ethereum (ETH) and Bitcoin (BTC) long positions.

Augustine Fan, Head of Insights at SignalPlus, noted that expectations for a significant Federal Reserve rate cut have largely dissipated. “Markets have effectively ruled out the possibility of a 50-basis-point reduction in September,” he said. This shift contributed to the recent selloff, as investors recalibrated their risk exposure.

According to Derive.xyz founder Nick Forster, the recent moves reflect a short-term reset rather than a structural market change. “It’s been a turbulent 24 hours, with ETH accounting for \$170 million and BTC \$104 million of liquidations,” Forster said. “A vast majority, around 95%, were long positions triggered by moderate pullbacks of 3% for ETH and 2% for BTC.”

The adjustments coincide with fading hopes for a September Fed rate cut. Polymarket odds for no cut jumped from 12% to 26%, signaling a growing market consensus against an aggressive monetary easing. The implications have been visible in derivatives markets, where Ethereum’s seven-day implied volatility increased to 73% from 68%, while its 30-day implied volatility remained steady. The divergence suggests traders anticipate short-term volatility without expecting an extended decline.

Market sentiment has also affected price forecasts. Forster highlighted a 21% probability of BTC reaching \$100,000 before the end of September, up from 15%, while the chance of ETH dropping to \$4,000 by month-end rose to 60%. These projections indicate heightened uncertainty among crypto investors, particularly in the lead-up to Jackson Hole.

Fan added that focus will remain on the symposium, but he does not anticipate significant dovish surprises given persistent inflation pressures. “The market has priced in roughly 90% probability of a single rate cut, but further easing appears unlikely under current economic conditions,” he said.

Major cryptocurrencies have already shown signs of strain. Bitcoin slipped to \$115,036, its lowest level in nearly two weeks, while Ethereum traded at \$4,235. XRP remained relatively steady at \$3.02, trimming weekly gains to 4% from a previous high of 9%. The overall movement reflects cautious positioning by traders as they await further guidance from the Fed.

Analysts emphasize that the crypto market remains highly sensitive to macroeconomic signals and policy developments. Investors are advised to monitor upcoming Fed statements closely, as short-term volatility could continue in the absence of clear signals on monetary policy direction.

