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Crypto Market Falters as August Begins with Losses Across the Board

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The cryptocurrency market opened in August with notable losses during early Asian trading hours as major assets fell. Bitcoin briefly dipped below $114,000 before recovering to about $115,000 while the broader market fell 2.7 percent in the past 24 hours, bringing total crypto market capitalization to approximately $3.75 trillion level with a week earlier. Market sentiment dropped with the Fear and Greed Index falling to 65, its lowest point since July 8, after three weeks of elevated optimism.

Among digital assets, altcoins suffered the most. Ethereum fell about 5.6 percent, and XRP declined roughly 6 percent compared with Bitcoin's 3 percent drop. Bitcoin has surrendered nearly half the gains it made from early July lows to mid-month highs, weighing on sentiment. Analysts note that July's late-month selloff has extended into August, historically a difficult period for crypto markets.

Bitcoin rose approximately 8.3 percent in July, closing around $116,500, marking four consecutive months of growth after two months of losses. However, seasonal patterns suggest caution moving forward. Over the past 14 years, Bitcoin has gained in August only five times and declined nine times. Average August losses were about 14.7 percent, while positive months averaged gains of roughly 26 percent. Bitcoin closed August lower in each of the past three years.

Despite the pullback, some institutional movements suggest longer-term strategic interest in digital assets. According to Strategic ETH Reserve, about 65 entities now hold roughly 2.73 million ETH, about 2.26 percent of the supply, valued at over $10 billion. Financial institutions are taking notice of this trend. Standard Chartered analysts estimate that public companies could hold up to 10 percent of Ethereum's total supply over time.

JPMorgan Chase has formally partnered with Coinbase to allow its customers to use Chase credit cards for crypto purchases on Coinbase starting in fall 2025 and to link their bank accounts directly to Coinbase wallets. These features reflect a deeper integration of traditional finance in the crypto ecosystem.

As the market heads deeper into August, investors will be watching closely to see whether current losses reflect temporary fatigue or signal a more prolonged bearish phase.