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XRP Plummets 14% After Ripple Co-Founder Moves \$175M to Exchanges

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XRP's recent rally came to an abrupt halt after a wallet linked to Ripple co-founder Chris Larsen transferred \$175 million worth of tokens to major exchanges, triggering a 14% price drop. The cryptocurrency had just reached \$3.60 its highest level since 2021 before retreating to nearly \$3 following the massive transactions. This dramatic sell-off has reignited debates about centralization risks in XRP's ecosystem and the market impact of large holders' movements.

The timing of these transactions couldn't have been worse for retail investors. Just as XRP appeared poised to challenge its all-time highs, the sudden influx of tokens on exchanges created immediate selling pressure. Blockchain analysts note the transferred amount represents a significant portion of XRP's daily trading volume, demonstrating how concentrated holdings can disproportionately influence this digital asset's price action. While Ripple executives have regularly sold portions of their holdings to fund operations, the scale of this transfer has shaken trader confidence.



This episode highlights the inherent tension in XRP's market structure. Despite being the sixth-largest cryptocurrency by market capitalization, a substantial portion of XRP's supply remains controlled by Ripple Labs and its executives. Such concentration creates vulnerability to sudden price swings when these entities move tokens, a stark contrast to more decentralized cryptocurrencies like Bitcoin (BTC) or Ethereum (ETH). Market observers suggest this could limit institutional interest in XRP as an asset class, regardless of its utility in cross-border payments.

The XRP market now faces a critical test of resilience. While the cryptocurrency has shown remarkable recovery ability after past sell-offs, this event may leave lasting psychological scars on investors. As the dust settles, the broader lesson becomes clear: in crypto markets, understanding token distribution and insider activity matters just as much as technical analysis. For XRP to mature as a digital asset, it must either demonstrate more predictable release schedules or face recurring volatility from large holder movements, a challenge that could determine its long-term position in the crypto hierarchy.