

Bitcoin Breaks \$120,000 as Bullish Momentum Drives Crypto Rally

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Bitcoin has surged past \$120,000 for the first time, marking a strong comeback after months of stagnant trading. This rise reflects growing investor confidence and increased institutional interest, signalling that the cryptocurrency market is entering a new phase of maturity.

Bitcoin, the pioneering cryptocurrency, recently shattered the \$120,000 threshold, fueled by a wave of renewed enthusiasm among investors and steady inflows from institutional buyers. After lingering around the \$100,000 mark for several months, the digital asset's

impressive rebound comes amid a broader rally in risk assets like stocks reaching record highs. This shift suggests that Bitcoin is increasingly viewed not just as a speculative tool but as a legitimate store of value and hedge against macroeconomic uncertainty.

The cryptocurrency's climb has been supported by exchange-traded funds (ETFs) focused on spot Bitcoin and Ethereum (ETH), the second-largest cryptocurrency by market capitalisation. These ETFs have attracted significant investment, providing stability to Bitcoin's price movement and helping avoid the extreme volatility often seen in past bull runs. George Mandres, senior trader at XBTO Trading LLC, highlighted this transition, saying, "Bitcoin is no longer just a speculative asset but a structurally scarce store of value, gaining from institutional inflows and a broader risk-on sentiment in equities."

Bitcoin reached as high as \$121,344, representing a roughly 30% increase since December and more than doubling in value over the past year. This surge has also lifted other cryptocurrencies: Ether increased by 1.5%, while XRP and Solana both rose about 2.7% in early trading on Monday in Singapore.

Crypto analyst Rachael Lucas of BTC Markets commented on the outlook, stating, "Bitcoin has cleared \$120,000, but the real test will be \$125,000. While some short-term profit taking is expected, the uptrend remains strong, driven by demand from ETFs. Support at \$112,000 looks like a buying opportunity rather than a sign of reversal."

The latest rally was further amplified by the liquidation of bearish bets on Bitcoin, with over \$1 billion in short positions wiped out, according to Coinglass data. This forced correction cleared the way for continued upward momentum.

Additionally, anticipation is building around "Crypto Week" in the U.S. Congress, during which lawmakers are expected to debate and possibly vote on crucial cryptocurrency regulations. The outcome of these discussions could have significant implications for the market.

Not all experts are convinced the rally will sustain. Nicolai Sondergaard, a research analyst at Nansen, cautioned, "This doesn't appear to be a macro-driven rally but rather an isolated event. That said, recent U.S. policy moves, including fiscal expansion and expectations of further monetary easing, have created a favourable backdrop for Bitcoin."

While political uncertainty remains, particularly around regulatory frameworks, Bitcoin's latest surge underscores its growing appeal to investors looking for alternatives amid fluctuating traditional markets. As institutional adoption continues to expand, Bitcoin is increasingly carving out a role as a mainstream financial asset rather than a fringe digital currency.