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## Largest Bitcoin Hack Revealed as ETFs Tumble

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– Categories: Crypto



The crypto market saw dramatic developments today with the exposure of a long-hidden multi-billion-dollar hack, major outflows from top cryptocurrency investment funds, and a notable expansion of a global exchange into the United States. These shifts reflect both the underlying volatility of the industry and its continuing push toward mainstream financial acceptance.

### \$3.5 Billion Bitcoin Theft Exposed by Arkham

Arkham Intelligence, a blockchain analytics firm, claims to have retroactively uncovered the largest crypto hack to date, one that had gone undetected for nearly four years. According to their investigation, the target was *LuBian*, a Chinese Bitcoin (BTC) mining pool that went live in May 2020 and quietly disappeared months later. On December 28, 2020, LuBian reportedly lost 127,426 BTC in a cyberattack, which is valued today at roughly \$14.5 billion.

Arkham's report suggests that the breach was executed using a brute-force method that exposed private keys generated through a flawed algorithm. Although the pool was able to secure 11,886 BTC by moving them into separate wallets, the majority of the stolen funds remain unaccounted for. The magnitude and secrecy of the incident raise serious concerns about early blockchain infrastructure and the oversight of key operators in the space.

### **Bitcoin and Ethereum ETFs Experience Major Outflows**

On the institutional side, investor appetite for cryptocurrency-backed exchange-traded funds (ETFs) appears to have weakened significantly. Spot Bitcoin ETFs recorded \$812 million in net outflows on Friday, marking the second-largest single-day loss in the history of these financial products. According to market data from SoSoValue, this erased recent gains and brought total ETF assets under management to \$146.48 billion, or about 6.46% of Bitcoin's market cap.

Leading the pack in redemptions was Fidelity's FBTC (Fidelity Bitcoin Trust) with \$331 million withdrawn, followed closely by ARKB (ARK 21Shares Bitcoin ETF), which lost \$327 million. Grayscale's GBTC (Grayscale Bitcoin Trust) posted a \$66 million outflow, while BlackRock's IBIT (iShares Bitcoin Trust) saw minor losses of \$2.5 million.

Ethereum (ETH)-based ETFs also faced a downturn. After maintaining 20 consecutive trading days of net inflows, the streak broke with a sharp \$152 million outflow. Assets under management now stand at \$20.11 billion, equivalent to 4.7% of Ethereum's market cap.

### **Gate Exchange Launches Spot Trading in the U.S.**

Amid the market retreat, crypto exchange *Gate* made a strategic move by launching spot trading services for U.S. users. Founded in 2013 by Chinese tech entrepreneur Lin Han, Gate pointed to growing regulatory clarity in the United States as the reason behind its expansion. The exchange currently lists over 3,800 trading pairs and reported \$6.8 billion in 24-hour trading volume as of July 24.