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Altcoins Collapse as Bitcoin Takes Control of the Crypto Market

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While Bitcoin continues to reach new heights in 2025, supported by a crypto-friendly U.S. president and growing investor interest, many altcoins cryptocurrencies other than Bitcoin and stablecoins are facing a severe downturn. So far this year, altcoins have lost approximately \$382 billion in market value.

Bitcoin's share of the total crypto market has risen to 64%, the highest level since early 2021. This shift highlights a growing preference for Bitcoin as a more reliable and

established asset. Nick Philpott, co-founder of trading platform Zodia Markets, said, “I think many altcoins will simply disappear. They will lose value and eventually be forgotten.”

Even Ethereum, the second-largest cryptocurrency, remains about 50% below its all-time high despite some gains from recent spot ETFs. Smaller altcoins have performed worse. An index tracking the lower half of the top 100 cryptocurrencies has dropped roughly 50% in 2025, erasing previous gains from late 2020.

This decline follows the 2022 crypto crash, when projects like TerraUSD and FTX collapsed. However, the current market is more regulated and driven by institutional investors. Stablecoins cryptocurrencies pegged to real currencies have grown by \$47 billion in the past year, with major companies such as Amazon reportedly exploring stablecoin projects.

To survive, some altcoin projects are merging governance groups to strengthen their communities and attract more investors. At the same time, large investments continue to flow into Bitcoin. New funds like Twenty One Capital have launched with billions dedicated to Bitcoin, while the Trump family is investing over \$2 billion in Bitcoin mining and treasury operations.

Despite the overall decline, some altcoins tied to decentralized finance (DeFi) platforms, like Maker and Hyperliquid, have posted strong gains. Jeff Dorman, chief investment officer at digital asset firm Arca, notes that projects with solid business models and real revenue stand out.

Looking ahead, the proposed Digital Asset Market Clarity Act could provide clearer regulations for altcoins, potentially opening the door for more institutional investments. Experts say this could have a similar effect on altcoins as ETFs did for Bitcoin and Ethereum.

However, many altcoins still face challenges. Kanyi Maqubela of Kindred Ventures compares Bitcoin to gold and Ethereum to copper each with clear value while many altcoins lack a strong use case or real demand.

As the crypto market matures, Bitcoin’s dominance appears set to continue growing. Many altcoins may not survive unless they prove their long-term utility and value. The coming years will likely reshape the crypto landscape, leaving only the strongest projects standing.