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Bitcoin Slips Amid Tariff Concerns, Treasury Trend Peaks

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Bitcoin edged slightly lower on Wednesday, dragged down by ongoing concerns over U.S. trade tariffs and weakening economic momentum. As investors steered clear of risk-heavy assets, the broader cryptocurrency market also saw muted activity and a loss of recent momentum.

The leading digital currency, Bitcoin (BTC), dipped by 0.2% to $114,170 as of 09:53 ET (13:53 GMT), hovering near the one-month low reached earlier in the week. The pullback highlights continued investor caution, particularly as July's sharp gains led to increased profit-taking. That trend has now left Bitcoin and other cryptocurrencies exposed to further downside as market sentiment weakens.

Alternative cryptocurrencies or “altcoins” also slipped, following a brief recovery earlier in the week. However, that upward push lost steam quickly as overall appetite for speculative assets remained low.

Adding to the bearish mood was commentary from Michael Novogratz, founder of Galaxy Digital Holdings Ltd. (Toronto Stock Exchange: GLXY), a prominent cryptocurrency investment firm. Speaking during the company’s second-quarter earnings call on Tuesday, Novogratz warned that the rise of publicly traded Bitcoin treasury companies may have already hit its peak.

“The question now is which of the existing companies will become monsters,” Novogratz stated, suggesting that the market may be consolidating around a few dominant players. He cautioned that the growing number of companies holding large Bitcoin (BTC) and Ethereum (ETH) reserves could be crowding out newcomers by limiting access to capital and liquidity—factors essential for growth in the sector.

His remarks come as many firms continue to follow the lead of MicroStrategy Inc. (NASDAQ: MSTR), the Virginia-based business intelligence firm known for aggressively investing in Bitcoin. Under the leadership of Executive Chairman Michael Saylor, MicroStrategy has become the world’s largest corporate holder of Bitcoin. The company has seen a dramatic rise in its valuation, driven largely by investors seeking exposure to Bitcoin through traditional equity markets.

Saylor’s strategy of issuing equity to fund Bitcoin purchases, raising tens of billions of dollars in the process, has inspired similar moves by other firms. Yet Novogratz’s comments suggest that the window for easy capital-raising in the crypto space may be narrowing as the market matures and becomes more competitive.

While Bitcoin remains a cornerstone of digital asset investment, the current market climate reflects growing concerns about macroeconomic headwinds and the sustainability of corporate crypto treasuries. Investors appear to be recalibrating their expectations, choosing to adopt a more cautious stance until the broader economic picture becomes clearer.