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Crypto Turbulence Mounts as Federal Reserve Decision Nears

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This week’s cryptocurrency market was marked by volatility and institutional shifts, as investors brace for the U.S. Federal Reserve’s upcoming interest rate decision on July 29–30. While market sentiment remains mixed, major developments from both private firms and regulators indicate a critical turning point for the digital asset space.

Early in the week, the Bank of America issued a sobering projection, suggesting that interest rate cuts may be delayed until mid-2026 due to persistent inflation and strong employment data. This forecast challenges more optimistic analysts such as those from Bloomberg, who anticipate a potential rate cut as early as September. These macroeconomic signals stirred uncertainty in crypto markets, particularly among Bitcoin and Ethereum holders.

Meanwhile, Ethereum attracted notable attention from institutional investors. Large-volume transactions, commonly referred to as “whale activity,” surpassed that of Bitcoin, indicating shifting preferences among major financial players. The trend coincides with reports of Elon Musk’s aerospace firm, SpaceX, transferring over 1,300 Bitcoin (BTC), valued at more than \$140 million, through a previously inactive digital wallet. While SpaceX has not publicly commented, the move sparked speculation about strategic repositioning.

Another noteworthy development came from ARK Invest, led by Cathie Wood, which acquired 4.77 million shares in BitMine Immersion Technologies. While BitMine does not hold Ethereum (ETH) directly, its treasury strategy is centered on Ethereum-related assets, indicating increased institutional comfort with crypto-adjacent equities. Simultaneously, Telegram launched its crypto wallets in the United States, further bridging direct messaging and decentralized finance.

On the regulatory front, the United Kingdom reaffirmed the effectiveness of its Memorandum of Understanding (MoU) on Financial Market Infrastructures (FMI), a framework strengthening cooperation between the Bank of England and the Financial Conduct Authority (FCA). In the U.S., the Senate Banking Committee unveiled the Responsible Financial Innovation Act (RFI Act), proposing a regulatory structure termed “Regulation DA” that aims to modernize the oversight of digital tokens. The Securities and Exchange Commission (SEC) would be granted primary jurisdiction under this draft legislation.

Despite some token collapses, like the sharp drop of the highly anticipated PUMP token, momentum in exchange-traded funds (ETFs) continued. BlackRock’s Ethereum ETF, dubbed ETHA, reached \$10 billion in assets under management, a signal of growing institutional appetite. In parallel, MicroStrategy raised its preferred stock offering to \$2 billion, aimed at further BTC accumulation.

This week also saw a historic event: eight dormant Bitcoin wallets from over a decade ago became active, moving approximately \$9 billion in BTC. These movements, coupled with continued regulatory evolution and institutional participation, suggest a market on edge,

awaiting signals from the Federal Reserve that could redefine short-term strategies for crypto stakeholders.