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Bitcoin, Ethereum, XRP, and Dogecoin Rebound Despite Stock Market Weakness

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Major cryptocurrencies staged a rebound on Thursday, August 21, even as global equity markets came under renewed pressure. Bitcoin climbed around 1.3 percent to trade near $113,900, while Ethereum rose 6.5 percent to about $4,300. XRP advanced roughly three percent to $2.90, and Dogecoin gained nearly six percent to $0.22. The upturn comes after weeks of weakness across both digital assets and stocks.

Institutional demand is providing strong support for the market. BlackRock's iShares Bitcoin ETF has grown into the fastest-expanding exchange-traded fund in U.S. history, now holding close to $87 billion in assets. Combined flows into Bitcoin and Ethereum ETFs have reached $13.2 billion by the end of the second quarter, a figure well above the current Bitcoin mining supply. Corporate adoption is also accelerating, with nearly 244 firms now holding Bitcoin on balance sheets, almost double the number from earlier this year. Strategy, formerly MicroStrategy, tops the list, owning more than 582,000 BTC worth over $62 billion after raising capital through a $584 million convertible preferred share issue in January.

Ethereum's performance reflects both ETF inflows and the expanding role of decentralised finance. With a market capitalization of about $519 billion and daily volume near $46 billion, Ethereum benefits from sustained investor activity. U.S. spot ETFs for Bitcoin and Ethereum recorded $40 billion in weekly trading volume earlier this month, of which Ethereum accounted for $17 billion. The decentralised finance sector continues to draw institutional interest, with Lido maintaining more than $10.2 billion in liquid staking and protocols such as Aave and Uniswap leading innovation. Deutsche Bank has begun exploring Ethereum Layer-2 technology, and BlackRock's BUIDL fund now operates across six blockchain networks.

XRP is gaining momentum from regulatory clarity. Trading close to $2.90, it has attracted renewed investor confidence after the passage of the GENIUS Act, which sets clearer rules for stablecoins. The U.S. Securities and Exchange Commission has also opened the door to possible XRP exchange-traded products, with decisions expected later this year.

Adoption is broadening further through PayPal's "Pay with Crypto" initiative, which includes XRP among more than 100 supported tokens, potentially reaching 650 million users while cutting international transaction costs.

Dogecoin, the best-known meme token, is also rallying. It has recovered from key technical levels and now trades at about $0.22, supported by speculation over a potential Dogecoin ETF. Bloomberg analyst Eric Balchunas recently placed the likelihood of such a product receiving approval at 75 percent, which would provide wider institutional access.

The contrast between cryptocurrency gains and stock market losses is striking. On the same day, the Nasdaq 100 and S&P 500 slipped further, reinforcing investor unease. The U.S. dollar's poor performance this year, it has logged its weakest first half in more than five decades, has pushed capital into alternative assets. Traders are also positioning for expected Federal Reserve interest rate cuts, lowering the relative cost of holding non-yielding assets such as digital currencies. Rising global tensions and trade disputes have added to the case for diversification.

Institutional adoption underscores this shift. More than 70 percent of institutional investors now hold digital assets, while crypto hedge funds report $136.2 billion under management in the second quarter alone. Pension funds in Wisconsin and Michigan have entered Bitcoin ETFs, and major banks such as JPMorgan have moved from resistance to active involvement.

Forecasts remain ambitious, with Standard Chartered projecting Bitcoin could reach $200,000 and VanEck setting its outlook at $180,000. Ethereum is projected by some analysts to rise beyond $6,000. Even so, market volatility and shifting regulations continue to present significant risks alongside these bullish expectations.