

OpenVoiceNews Pakistan

Transparent. Unbiased. Yours.

Bitcoin Steady as Fed Holds U.S. Interest Rates

August 1, 2025

– Categories: Crypto



Bitcoin remained steady on Thursday after the U.S. Federal Reserve chose to keep interest rates unchanged, signaling no immediate intention to cut rates. This decision dampened investor risk appetite and kept broader cryptocurrency markets in a narrow trading range.

The world's largest cryptocurrency rose 0.8% to \$118,740 by 13:59 GMT but stayed below the \$120,000 mark, where it had surged earlier in July. Market sentiment was also impacted by weak manufacturing data from China and a cautious stance by the Bank of Japan, both contributing to reduced risk appetite during the Asian trading session.

Despite a large acquisition by Strategy, formerly known as MicroStrategy, which purchased over 21,000 bitcoins this week, investor response remained subdued. In parallel, geopolitical developments, including a U.S.-South Korea trade agreement and newly imposed 25% tariffs on Indian imports, failed to boost crypto sentiment.

The Federal Reserve's rate decision followed recent pressure from former President Donald Trump and others calling for a rate cut. However, the central bank maintained its stance, indicating that interest rates would likely stay elevated for some time. Analysts say higher interest rates make speculative investments like cryptocurrency less attractive.

This cautious outlook also weighed on U.S. equity markets, with major indexes retreating slightly on Wednesday. However, tech stocks showed signs of recovery Thursday after strong earnings from Microsoft and Meta.

Attention now turns to upcoming economic indicators, including the U.S. nonfarm payrolls report due Friday and the deadline for new trade tariffs under Trump-era policies. These factors may influence investor behavior across global markets, including cryptocurrencies.

Despite the near-term uncertainty, analysts at Bernstein remain optimistic about the broader crypto outlook. In a report issued Thursday, the firm stated that the current bull run is still in its early stages. It highlighted Robinhood and Coinbase as well-positioned platforms, citing continued adoption and rising trading volumes.

Robinhood, in particular, posted a 46% year-on-year revenue increase in its second quarter, with EBITDA margins reaching 56%. Even with a slowdown in crypto activity compared to the first quarter, the platform reported a 32% rise in crypto-related revenue over the same period last year.

Bernstein also noted a recent partnership between Coinbase and JPMorgan, allowing Chase customers to link their bank accounts and credit cards directly to Coinbase. This integration was described as a significant step forward for crypto adoption, potentially bridging the gap between traditional banking and digital assets.