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Bitcoin Holds Steady as U.S. Rate Fears Grow

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– Categories: *Crypto*



Bitcoin edged slightly higher on Thursday but remained trapped in a tight trading range as investor sentiment stayed cautious following the U.S. Federal Reserve's latest decision to keep interest rates unchanged.

The cryptocurrency rose 0.8% to \$118,740 by 13:59 GMT, holding below the \$120,000 mark it approached earlier in July. The muted movement comes as global markets digest hawkish signals from both the Federal Reserve and the Bank of Japan, as well as underwhelming economic data from China.

Risk appetite across digital and traditional assets took a hit this week after the Fed signaled no immediate plans to lower rates, despite calls from former President Donald Trump and some of his allies for monetary easing. Persistently high U.S. rates have historically weighed on speculative investments like cryptocurrencies.

Meanwhile, broader Asian markets were unsettled by disappointing Chinese purchasing manager index (PMI) figures and tightening signals from the Bank of Japan. These factors contributed to a more cautious stance among traders, particularly in crypto.

Bitcoin received little support from a major asset acquisition by Strategy (formerly MicroStrategy), which added over 21,000 coins to its holdings. News of a U.S.-South Korea trade deal also failed to lift market sentiment, especially as the U.S. simultaneously imposed 25% tariffs on Indian goods, raising concerns over potential global trade tensions.

Looking ahead, traders are focused on Friday's deadline for a new round of U.S. trade tariffs, as well as the release of key nonfarm payrolls data, both of which could trigger further market movement.

Analysts at financial firm Bernstein commented that the broader crypto rally may still be in its early phase. In a note released Thursday, they pointed to solid second-quarter performance by trading platforms Robinhood and Coinbase. Robinhood recorded a 46% increase in revenue year-on-year, while Coinbase secured a partnership with JPMorgan to allow direct account linking and reward point redemptions in crypto.

Despite positive corporate developments, overall trading volumes remain volatile and sensitive to central bank policy direction. Ether, the second-largest cryptocurrency by market cap, rose 1.1% to \$3,808.95, while XRP added 1% to reach \$3.11. Other tokens, including Solana, Cardano, and Polygon, showed minimal movement.

Meme-based tokens such as Dogecoin and \$TRUMP also posted minor gains but stayed within narrow ranges.

With rate uncertainty and trade developments in focus, analysts expect crypto markets to remain in consolidation mode in the short term.