

Bitcoin Holds Ground After Inflation Data Shock

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Bitcoin (BTC), Ethereum (ETH), and Ripple (XRP) steadied on Friday after experiencing sharp declines the previous day, as investors reacted to stronger-than-expected US inflation data.

On Thursday, the US Bureau of Labor Statistics released the latest Producer Price Index (PPI) figures, which showed a notable increase above economists' forecasts. The data suggested inflationary pressures were building, sparking a risk-off mood across financial

markets. The three largest cryptocurrencies by market capitalisation each fell between 4% and 6% in response.

Bitcoin dropped 4% on Thursday but found support near key technical levels, consolidating above the \$72,000 mark. Ethereum, which had slid 4.26%, held around \$3,500, while Ripple, down 5.96%, traded near \$0.64. Analysts say the quick stabilisation indicates that while sentiment remains cautious, buyers are stepping in to defend support zones.

Market strategists noted that the PPI data could influence the US Federal Reserve's policy outlook, potentially leading to a more hawkish stance on interest rates. Higher borrowing costs typically weigh on risk assets, including cryptocurrencies. However, the resilience in Bitcoin and Ethereum prices suggested that long-term investors are still confident in the market's fundamentals.

Some technical analysts pointed to Bitcoin's relative strength index (RSI) holding near neutral territory, which they say reduces the risk of a deeper immediate correction. Ethereum's chart also showed it maintaining a higher low pattern, a signal often associated with continued bullish momentum. Ripple, while underperforming the other two, has seen steady demand from retail traders betting on a short-term rebound.

Globally, trading volumes remained subdued compared with earlier in the month, reflecting uncertainty ahead of further US economic data releases. Many traders are watching for signals in upcoming retail sales and consumer price index reports, which could reinforce or ease inflation concerns.

Despite the volatility, crypto advocates argue that digital assets remain a viable hedge against long-term currency debasement, particularly in regions experiencing monetary instability. The current price action, they say, is a reminder that cryptocurrencies often mirror the behaviour of broader financial markets during macroeconomic shocks.

As of Friday afternoon in Asia, Bitcoin was trading flat at \$72,150, Ethereum at \$3,520, and Ripple at \$0.642. Market watchers expect trading to remain range-bound in the near term, with investors awaiting fresh catalysts.