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Crypto Bulls Lose \$200M After Powell Remarks

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The cryptocurrency market faced sharp volatility this week, with more than \$200 million in leveraged positions liquidated following hawkish comments from U.S. Federal Reserve Chair Jerome Powell. The remarks, delivered during a press conference on Tuesday, cast doubt on the likelihood of imminent interest rate cuts, rattling investor sentiment across risk assets.

Powell emphasized that inflation remains above the central bank's target, signaling that the Federal Reserve is not prepared to ease monetary policy in the near term. The market reaction was swift. Bitcoin (BTC) dropped by roughly 2 percent, briefly falling below \$116,000. Ethereum (ETH) and other major digital assets also declined in the hours following the announcement.

Data from derivatives analytics platform CoinGlass showed that long traders bore the brunt of the losses, with liquidations exceeding \$200 million. The majority of these liquidations occurred during Asian trading hours, highlighting the global reach of crypto's investor base and the impact of macroeconomic policy on market movements. 

Altcoins were particularly affected, though some showed signs of recovery after the initial sell-off. Solana (SOL), which has seen growing institutional interest in recent months, posted modest gains later in the day. Other tokens remained mixed, and while Toncoin (TON) appeared in some trading discussions, it was not among the most actively rebounding assets in mainstream coverage.

Market analysts say the reaction underscores the crypto sector's ongoing sensitivity to monetary policy developments. Despite progress toward broader adoption and institutional investment, the digital asset market continues to respond sharply to shifts in interest rate expectations.

Institutional sentiment, however, appears more resilient. Spot exchange-traded funds (ETFs) linked to Bitcoin and Ethereum have continued to see inflows, indicating that long-term interest in crypto assets remains intact despite short-term market jitters.

As investors await further economic data and central bank commentary, attention is turning to whether altcoins can maintain their rebound or if further downside pressure lies ahead. For now, volatility continues to define the landscape, with traders bracing for more movement in response to global monetary policy signals.

