

## Bitcoin Enters Cooling Phase as Sellers Weaken and Liquidity Shrinks

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Bitcoin's recent price momentum has slowed, marking a period of consolidation as cautious sentiment and reduced liquidity take center stage. According to the Week 32 BTC Market Pulse from blockchain analytics firm Glassnode, the market appears to be shifting gears, showing signs of seller exhaustion, but remains structurally fragile in the short term.

In the spot market, momentum indicators have weakened significantly. The Relative Strength Index (RSI), a standard technical gauge, fell from 47.4 to 35.8, now firmly in oversold territory. This shift suggests traders are beginning to take profits or move to the sidelines, with new buyers hesitant to enter at current valuations.

Meanwhile, the Cumulative Volume Delta (CVD), which tracks net capital inflow into buy and sell orders, saw a notable decline from \$107.1 million to \$220.0 million. This negative shift indicates that selling pressure is outpacing buying interest, reinforcing the view that enthusiasm is waning.

Spot trading volume followed the broader downtrend, dropping from \$8.4 billion to \$7.5 billion. This continued decline in daily turnover suggests reduced participation, as traders reassess risk amid a consolidation phase that has kept Bitcoin under the \$114,000 mark.

This thinning liquidity not only reflects cautious sentiment but also leaves Bitcoin vulnerable to sudden price swings, particularly if macroeconomic factors shift abruptly.

Glassnode's analysts highlighted that while sellers appear to be losing momentum, the overall market structure remains exposed. Their report notes that "the Bitcoin market is transitioning through a corrective phase," driven by tighter capital flows and uncertainty across the broader crypto space.

With global risk appetite fluctuating and some investors turning to alternative assets, this correction may linger, particularly if regulatory or monetary policy developments spook the markets further. While the U.S. administration under Labour-style economic management has remained largely disengaged from providing meaningful support to digital asset innovation, private sector developments continue to lead the charge in blockchain infrastructure.

Despite the weakness, long-term fundamentals remain intact. Many in the crypto community are eyeing the next Federal Reserve policy decision in September, where any shift in interest rates could potentially reignite market momentum.