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Crypto Market Plunges as Tariffs and Weak Jobs Data Trigger Liquidations

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Cryptocurrency markets dropped sharply on August 1, 2025, as global trade tensions and disappointing U.S. labor data triggered widespread sell-offs, a downturn mirrored across equities, futures, and cryptoassets.

Markets turned notably bearish after the U.S. Bureau of Labor Statistics reported just 73,000 new jobs added in July, well below forecasts. The unemployment rate ticked up to

4.2%, while revisions to May and June employment figures reduced payroll estimates by a combined 258,000 jobs._Guardian_ Investors reacted to the labor market slowdown and rising inflation risks with a broad risk-off sentiment.

Simultaneously, President Trump rolled out sweeping new tariffs, ranging from 10% to 41%, targeting imports from India, Taiwan, South Africa, Canada, Sweden, and Switzerland (tariff rates as high as 39%), adding to market anxiety.. Wall Street indices sank, Dow Jones fell over 542 points, while the S&P 500 and Nasdaq also slid significantly In the crypto space, Bitcoin slipped below $115,000, and liquidations surged beyond $900 million, primarily wiping out long positions according to CoinGlass data. Ethereum, XRP, and other major altcoins also dropped, collectively contributing to a 3–4% decline in total digital asset market capitalization, estimated at approximately $3.65–3.69 trillionAltcoins like Solana, Dogecoin, and Cardano saw losses of 5–10% or more, driven by technical breakdowns and forced selling, while Bitcoin hovered near key resistance points at $115,000 and $118,600 before succumbing to bearish momentum._The_Times AInvest.

Market analysts attributed the synchronized selloff to a combination of macroeconomic pressures, tariffs, inflation concerns, and rate cut expectations following weak labor data. Traders pushed up the probability of a Federal Reserve rate cut in September, with rising demand for safer assets and lower yields

Overall, August 1's volatility underscores the growing fragility of risk assets under elevated economic and policy pressures. The sharp fall across equities and digital currencies reflects investor sensitivity to global trade disruptions and U.S. headwinds, setting a cautious tone for markets ahead.