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Trump Policy Boosts Bitcoin-Led Crypto Rebound

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The cryptocurrency market saw a sharp recovery on Thursday, led by major digital assets including Bitcoin (BTC), Ethereum (ETH), Dogecoin (DOGE), Solana (SOL), and XRP. This rebound followed news that former President Donald Trump may allow Bitcoin and other cryptocurrencies to be included in U.S. 401(k) retirement plans if re-elected.

The proposed policy shift has fueled investor optimism, triggering renewed momentum across the crypto sector. Market data shows Bitcoin surged past \$116,000, reaching its highest level in weeks. Ethereum and other leading altcoins followed suit, contributing to a broad market rally.

Adding to the surge was a significant wave of liquidations in short positions. Within one hour, approximately \$120 million in leveraged bearish bets were wiped out, forcing a wave of buybacks that accelerated the market turnaround. Analysts noted this liquidation event as a key driver in pushing prices sharply higher.

The positive sentiment was further supported by macroeconomic indicators. A dip in the U.S. Dollar Index (DXY) and a pullback in the 10-Year Treasury yield suggested waning investor appetite for traditional safe-haven assets, redirecting attention back to risk assets like cryptocurrencies.

The potential inclusion of crypto in 401(k) plans has long been a topic of interest within financial and political circles. Trump's recent support could signal a shift in U.S. retirement investment policy, creating new pathways for crypto adoption among traditional investors. While implementation details remain unclear, the prospect of such access has been welcomed by industry participants.

Bitcoin remains the dominant force in the market, with Ethereum retaining its position as the leading smart contract platform. Dogecoin and Solana also gained significantly, buoyed by renewed retail and institutional interest. XRP, which has remained in focus due to ongoing regulatory developments, saw a notable upswing as well.

Market analysts caution that while the rebound is promising, volatility remains a defining feature of the crypto landscape. Short-term gains are often influenced by a combination of market sentiment, news events, and macroeconomic shifts.

Still, Thursday's rally reflects growing confidence in the asset class, particularly when paired with supportive political developments and reduced pressure from short-sellers. If broader regulatory clarity and favorable policy directions continue, the market could see sustained momentum in the months ahead.

As of writing, total crypto market capitalization has risen significantly, signaling renewed participation and capital inflow from investors. The market's response to policy signals will

likely remain a central focus heading into the next U.S. election cycle.