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## Crypto Rally Cools as August Begins

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The cryptocurrency market's recent rally has stalled, with Bitcoin and major altcoins facing downward pressure as August trading begins. Bitcoin fell below \$65,000 after failing to sustain its July momentum, while Ethereum dropped 8% in weekly trading. Analysts attribute the pullback to profit-taking after a strong second quarter and concerns about slowing institutional inflows. The market's retreat coincides with

typical summer volatility, though some traders remain optimistic about a potential rebound.

Market data reveals declining trading volumes across major exchanges, suggesting reduced retail participation. Bitcoin's open interest in futures markets has dropped 15% from July peaks, indicating waning speculative activity. "This is a healthy correction after overheated conditions," noted Markus Thielen, head of research at 10x Research. However, the sell-off has been orderly, with no signs of panic liquidation events that characterized previous crypto winters.



Several factors contribute to the cooling trend, including macroeconomic uncertainty ahead of key Federal Reserve decisions and seasonal liquidity patterns. Stablecoin reserves on exchanges have shrunk by \$3 billion since mid-July, limiting buying power for potential rallies. Meanwhile, Bitcoin miners continue selling holdings to cover operational costs, adding consistent downward pressure. Despite these headwinds, long-term holders appear unfazed, with accumulation addresses reaching record levels.

As the crypto market navigates August's choppy waters, the coming weeks will test whether current support levels hold. History suggests September often brings renewed volatility, making this consolidation period critical for establishing a foundation. While short-term traders may face turbulence, the underlying blockchain activity and institutional adoption pipelines suggest this pullback could represent a buying opportunity rather than a trend reversal. The market's ability to maintain key technical levels will likely determine its trajectory through the year-end.