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Bitcoin Drops as U.S. Tariff Risks Grow

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– Categories: *Crypto*



Bitcoin declined on Friday, capping off a week of losses as concerns over new U.S. trade tariffs and lingering interest rate pressure dampened investor appetite for risk.

The cryptocurrency fell 2.4% to A\$115,890 by 09:22 ET (13:22 GMT), leaving it down around 3% for the week. Despite briefly hitting record highs in mid-July, Bitcoin has struggled to sustain momentum amid growing global economic uncertainty.

The downturn followed a decision by U.S. President Donald Trump to move forward with tariffs on multiple trade partners. Although the duties will now take effect in seven days, delayed slightly from the original August 1 deadline, markets remain cautious. Uncertainty

over the scope and long-term effects of the tariffs has weighed heavily on investor sentiment.

The Federal Reserve also signalled earlier in the week that it will hold interest rates steady for now, citing the need to assess how tariffs may influence inflation. While crypto assets like Bitcoin are not directly affected by trade tariffs, shifts in market confidence often hit speculative assets first.

In addition, U.S. jobs data released on Friday showed labour market weakness, further compounding concerns. Nonfarm payrolls rose by just 73,000 in July, well below expectations of a 100,000 gain. Downward revisions to figures from May and June, by a combined 258,000 jobs, pointed to a more fragile employment picture than previously thought.

The U.S. unemployment rate rose slightly to 4.2%, matching forecasts but adding to the cautious mood. Traders reacted by increasing the odds of a possible Federal Reserve rate cut at the next meeting in September, with the probability climbing to 63%, up from 40% the previous day.

Corporate crypto activity also failed to lift sentiment. Strategy (NASDAQ: MSTR), the largest publicly known holder of Bitcoin, reported stronger-than-expected earnings for the June quarter. However, neither its performance nor its recent Bitcoin purchase appeared to influence broader market trends.

Analysts say the combination of global economic uncertainty and “higher for longer” interest rates is eroding the appeal of high-risk assets. As a result, Bitcoin and other cryptocurrencies may face continued pressure in the short term.

Bitcoin remains widely followed in Australia, with domestic exchanges and investors closely tracking U.S. policy shifts and global financial indicators that shape crypto markets worldwide.