



Struggling Cryptos: Market Cap Falls 3.37% Overnight

Description

The struggle of **Bitcoin** ([CRYPTO:BTC](#)) and nearly all [cryptocurrencies](#) continued this week. According to CoinMarketCap, the crypto market recovered a little on May 23, 2022, only to see its gain vanish overnight. Data showed a 3.37% drop in the global crypto market cap to US\$1.26 trillion on the following day.

Bitcoin (US\$29,083.35) opened lower on May 24, 2022; so did **Ethereum** ([CRYPTO:ETH](#)), **Solana**, **Cardano**, **XRP**, and **Dogecoin**. Only **Binance** survived Tuesday's carnage, advancing 1.89%. BuyUcoin CEO, Shivam Thakral, said, "The crypto market struggled to stay in the green as sellers dominated the market to open the week."

The logical advice now is not to mistake the crash for a buying opportunity. Thakral added, "The crypto market is expected to stay in a bear phase for some time and most the investors will stay in a wait and watch mode."

Falling prices

Bitcoin hasn't had much success in closing above the psychological level of US\$30,000 since May 22, 2022. Ethereum, the second-largest crypto, remains below US\$2,000 and mirrors BTC's movement. Solana (-4.66%), Cardano (-4.07%), XRP (-2.33%), and Dogecoin (1.9%) also experienced nasty drops before mid-week.

Another analyst believes Bitcoin is stuck in a tight trading range and faces a possible breakdown. DailyFX analyst Michael Boutros said, "From a trading standpoint, a breach higher may offer an opportunity to fade, targeting a break to fresh yearly lows." Furthermore, if a breakdown occurs, Boutros sees the price plunging to US\$19,666.

Bitcoin is down 36.68% year to date, while Ethereum has a bigger loss of 46.43%. FundStrat's vice-president of digital assets Sean Farrell said spot traders, not future traders, are behind the selling pressure in BTC. Like in previous selloffs, Farrell believes that a large unwind of leveraged positions is unlikely.

However, if macroeconomic headwinds persist, the downtrend could be gradual. Farrell added, "Despite the evidence of capitulation and waning investor sentiment, the current macro backdrop still poses significant headwinds for crypto asset prices."

Delay of Ethereum 2.0

Ethereum's transition to proof-of-stake (PoS) or the so-called "The Merge" Preston Van Loon, might happen in August 2022, not earlier. Vitalik Buterin, Ethereum co-founder, confirmed that it will occur three months from now, but didn't discount the possibility of delays.

Buterin said, "But of course, there's always a risk of problems. There's also a risk of delays. And so, September is possible and October is possible as well." The Merge, or Ethereum 2.0, is a major software upgrade for the crypto. Ethereum is transitioning to a less energy-intensive technology (98% reduction in energy consumption).

Moreover, Ethereum 2.0 aims to speed up processing while offering greater security and stability. Podcaster and crypto educator Hashoshi said, "I do believe that we will see a positive reaction in the markets post-merge later this year." Other crypto experts say the software upgrade could spur growth for Ethereum.

Dire forecast

Scott Minerd, chief investment officer of Guggenheim, has a dire forecast for Bitcoin. He said the price could drop further to US\$8,000 from its current levels. Crypto bulls hope the prediction is incorrect because the pain on Bitcoin, Ethereum, and the broader cryptocurrency market would be severe. It could wipe out \$500 billion of its market cap. However, he clarifies that Bitcoin and Ethereum will survive.

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