

Cryptocurrencies Crash and Bitcoin Has Lost 70% of Its Value Since November

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Major cryptocurrency exchanges like Celsius and Binance froze withdrawal transactions due to “extreme market conditions,” prompting a massive sell-off in the crypto space that resulted in a \$500 billion being wiped from the market. Almost every top coin is now worth half or even less than their all-time highs. Bitcoin has dipped below \$21,000 and its price is down nearly 70% from its all-time high of \$69,000 last November. The immediate trigger for the crypto crash appears to be a massive sell-off by investors panicked by inflation of food, gas and energy prices as a recession looms. Investors are continuing to stay away from riskier assets and the stock market is also plummeting. The Dow Jones Industrial Average closed 876 points lower, while the S&P 500 pulled back 20% from its all-time high, marking the steepest 3-day trading decline of 2022.

Why is crypto crashing today? Cryptocurrency markets have crashed to a new low of this year today (13th June, 2022). The global market cap has shrunk below \$1 trillion to \$977 billion, around 12 % fall since yesterday. The global cryptocurrency market cap has fallen by around \$1 trillion this year while almost every top coin is now worth half or even less than their all-time highs.

The immediate trigger for the crypto crash appears to be a massive sell-off by investors amid heightened inflation fears and **pausing of withdrawal by crypto lending service**

Celsius. Investors are also continuing to stay away from riskier assets, which is reflecting in the stock markets as well.

Bitcoin, the biggest and most popular cryptocurrency, has fallen below \$22,000 while almost all altcoins, starting from Ethereum, are bleeding prices since weekend.

Ethereum has fallen to its lowest level in more than 14 months, trading around \$1155. Solana has fallen by more than 15% and is hovering around the \$27 mark, according to CoinMarketCap data at the time of writing.

Experts say that the crypto price plunge indicate a falling risk appetite of investors. They are clearly wary of risky assets. With all its uncertainties and volatilities, crypto is considered as one of the most volatile instruments for investment purpose.

"The crypto market has been under pressure from the Federal Reserve, hiking the interest rates to combat inflation over the past few months. Bitcoin, Ethereum, and most cryptocurrencies suffered losses over the weekend after a broad sell-off following the data showing US inflation hitting a 40-year high," said Edul Patel Co-Founder and CEO of crypto investment platform Mudrex.

"As investors seem to have panicked, the number of crypto liquidations has been high since Friday. Bitcoin and Ethereum plummeted as much as 7% each and are currently trading at their lowest at US\$25,000 and US\$1,300. The bearish trend may likely continue in the next coming days," he added.

While altcoins have historically underperformed Bitcoin, this time they have an added pressure of potential regulatory roadblocks. A report by CoinDesk quoted an expert as saying that only a small number of altcoins are likely to survive such market movements.

Shivam Thakral, CEO of crypto exchange BuyUcoin said that the rising food, gas, and energy prices are putting tremendous pressure on the crypto market as Bitcoin and Ether have witnessed double-digit losses in the past 24 hours.

"After the consumer price index reported the highest inflation since 1981, financial markets across the globe have seen a sharp downturn," said Thakral.

"The market is expected to remain choppy in the coming weeks and countries around the globe continue to report high inflation numbers. The current dip in the crypto prices allows investors to buy crypto at 2021 prices and we expect the seasoned investors to take advantage of the dip," he added.

According to Darshan Bathija, CEO of crypto exchange Vauld, most investors worry that unless inflation numbers start dropping soon, the US Fed may have to tighten reins by increasing interest rates at a faster pace than anticipated

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NY Post:

<https://nypost.com/2022/06/14/crypto-crash-continues-as-bitcoin-briefly-dips-below-21k/>