# Cryptocurrency market turmoil: Bitcoin and Ethereum hit new lows amidst sell-off



The cryptocurrency market is facing significant turmoil, marked by a dramatic sell-off that has seen major cryptocurrencies like Bitcoin and Ethereum fall to new lows. In the early hours of February 27, Bitcoin slipped below the critical $85,000 threshold, reaching as low as $81,000, a level unseen since November 2024. This decline has triggered widespread alarm among investors, with fear prevailing in the market, evidenced by a fear index that has dipped to 20, the lowest since 2022.

Bitcoin, the leading cryptocurrency, recorded a 4.22% decrease in the past 24 hours and has seen a painful 12.31% drop over the past week, according to data from CoinMarketCap. Ethereum has similarly suffered, dropping 6.44% in a day to $2,330, and a substantial 15.09% over the week. The overall global cryptocurrency market capitalisation now stands at approximately $2.79 trillion, reflecting a significant decrease of 4.63% within just one day, and a loss of nearly $1 trillion from the peak of $3.73 trillion in December 2024.

The sell-off has been exacerbated by massive liquidations; CoinGlass data reports over $765 million worth of liquidations within the last 24 hours, following an extensive loss of $1.5 billion on February 25. Notably, Bitcoin exchange-traded funds (ETFs) have witnessed a drastic exodus of institutional investors, with a record withdrawal of nearly $1.14 billion reported on February 25, marking the highest single-day outflow since their inception. Cumulatively, total outflows have approached $2.1 billion over a week, highlighting a clear shift in institutional appetite for these investment vehicles.

Market analysts suggest that the recent decline can be traced back to a combination of factors. The election of President Donald Trump in January initially sparked optimism, pushing Bitcoin to surpass $108,000. However, that enthusiasm has dwindled amid fears that the Trump administration's focus may be shifting toward aggressive trade policies rather than promoting a conducive regulatory environment for digital assets. The market has since experienced a decline of approximately 20%.

In addition to regulatory concerns, macroeconomic factors have contributed to the current sentiment. Investors are wary as the Federal Reserve signals that interest rate cuts may be further off than previously hoped. Federal Reserve's Bostic noted the uncertainty regarding inflation, stating, “Inflation will move towards the 2% target, but it has not yet reached that point.” The negative sentiment is further intensified by issues such as the recent collapse of the Solana memecoin boom and the unresolved $1.4 billion Bybit hack, which has heightened fears over the security of centralized exchanges.

Despite the prevailing negativity, some analysts remain optimistic about potential market recovery signs. Ki Young Ju, CEO of CryptoQuant, remarked, “If you are panic selling now, you might be a novice. A 30% pullback is common in Bitcoin bull cycles.” He believes current price levels might present a favourable risk-reward scenario for potential buyers.

While Bitcoin seeks support near $84,578, the outlook remains cautious as many investors opt to remain on the sidelines until market conditions improve. The continuing search for new catalysts to lift market sentiment underscores the uncertainty that currently dominates the cryptocurrency landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://coingape.com/crypto-prices-today-feb-27-btc-eth-plummet-amid-trumps-new-tariff-saga/> - This article supports the claim that major cryptocurrencies like Bitcoin and Ethereum have plummeted due to macroeconomic factors, including Donald Trump's new tariff saga. It highlights the decline in crypto prices and market volatility.
* <https://coincodex.com/article/63954/daily-market-update-for-february-27-2025/> - This article provides details on the current state of the cryptocurrency market, including the decline in Bitcoin's price and the overall market capitalization, which corroborates the significant turmoil in the crypto market.
* <https://www.coinmarketcap.com/> - CoinMarketCap provides data on cryptocurrency prices and market trends, supporting the specific percentage drops mentioned for Bitcoin and Ethereum over the past day and week.
* <https://coinglass.com/> - Coinglass reports on liquidations in the cryptocurrency market, supporting the claim of significant liquidations contributing to the market downturn.
* <https://www.federalreserve.gov/> - The Federal Reserve's website provides information on economic policies and statements from officials like Bostic, which can support the discussion on interest rates and inflation affecting market sentiment.
* <https://www.noahwire.com> - This source is mentioned as the original article's source, providing context for the overall market analysis and trends discussed.
* <https://news.google.com/rss/articles/CBMiW0FVX3lxTE1yclh3SDRXY0R4TXJsb1dtZHdxUThidGZjUWdScXhxNlExWGkzYzA4N04wM2I3TjMxOFBaTWlhU0xhTW1tYWxzT0toaEFTcjc5dEtqdTRZWW1DRTQ?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data