# Cryptocurrency market faces turbulence as Bitcoin and Ethereum decline



The cryptocurrency market has experienced significant turbulence recently, with Bitcoin nosediving to a new low of $79,184 and Ethereum slumping to $2,096. These movements come on the heels of a crucial day marked by the expiration of approximately $5.8 billion in options, alongside the economic ramifications of new tariffs announced by U.S. President Donald Trump. Analysts perceive this volatility as a combination of both internal market dynamics and external geopolitical pressures.

As the cryptocurrency landscape adjusted to the expiring options—$4.68 billion in Bitcoin options and $1.109 billion in Ethereum options—traders faced a sharp market downturn. The Bitcoin options expiry involved a staggering 58,633 contracts, with a put-to-call ratio of 0.71, indicating that traders were still maintaining a level of bullish sentiment despite the current price drop. Notably, Bitcoin's price decline, which marks the lowest point in a year, has raised questions regarding market stability.

In contrast, Ethereum’s options expiry aspect revealed a slightly more positive outlook, as the put-to-call ratio stood at 0.52. However, this outlook was sharply contradicted by a near 10% decline in price, underscoring the contradictory nature of the market during this tumultuous period.

The unfolding market turmoil was compounded by external economic factors, particularly new tariffs imposed by President Trump. The Administration's announcement included a continuation of tariffs on imports from Canada and Mexico, as well as a new 10% tariff on products from China. These actions have heightened existing uncertainties regarding the global economy, thereby increasing risk-off sentiment among investors. As market participants reacted to these geopolitical tensions, cryptocurrencies, including Bitcoin and Ethereum, were severely affected, leading to increased volatility.

Market analyst Avinash Shekhar, co-founder and CEO of Pi42, commented on the situation, stating that Bitcoin's recent plunge "has plunged below $80,000 since November amid growing macroeconomic uncertainties." He identified Trump’s tariff policies as key factors that have shaken market sentiment and investor confidence, further worsened by a recent high-profile hack involving the Bybit exchange that resulted in a loss of $1.5 billion.

Despite these challenges, a segment of traders perceives the current price drop as a potential buying opportunity. Sentiment analysis indicates a surprisingly high level of confidence among traders, suggesting that they believe this market dip may present an advantageous entry point into investments. This sentiment arises in the context of a broader bearish trend, where several altcoins faced similar declines, with prominent assets experiencing losses ranging from 6.6% to 8.6%.

While Bitcoin's market capitalisation stood at nearly $1,590 billion at the time of reporting, with a 24-hour trading volume of $64.63 billion, the cryptocurrency’s trajectory remains uncertain. As investor sentiment oscillates between caution and optimism, the market braces for a strategic weekend, with traders eyeing critical technical levels and macroeconomic signals to dictate Bitcoin’s next move.

As these events unfold, it is clear that both internal market fluctuations due to options expirations and external pressures from geopolitical developments significantly influence the cryptocurrency ecosystem, shaping the future landscape for digital assets like Bitcoin and Ethereum.

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

## References

* <https://thecurrencyanalytics.com/altcoins/ethereum-price-drop-eth-could-fall-below-1000-162734> - This article supports the claim that Ethereum has faced significant price drops due to market turbulence and external factors like the Bybit hack. It also discusses potential recovery scenarios based on macroeconomic conditions.
* <https://www.mitrade.com/insights/news/live-news/article-3-668058-20250228> - This article corroborates the volatility in Ethereum's price, highlighting its struggle to maintain key support levels and the impact of recent market corrections on its value.
* <https://www.noahwire.com> - Although not directly available, this source is mentioned as providing information on the cryptocurrency market's recent turbulence and the impact of options expirations.
* <https://www.bloomberg.com/news/articles/2023-01-20/trump-s-tariffs-on-canada-mexico-remain-as-biden-seeks-to-revise-nafta> - This article provides context on U.S. tariff policies, which are relevant to understanding the geopolitical pressures affecting the cryptocurrency market.
* <https://www.reuters.com/markets/deals/cryptocurrency-exchange-bybit-says-it-was-hacked-1-5-billion-2025-02-20/> - This article supports the claim of a high-profile hack involving the Bybit exchange, which contributed to market volatility.
* <https://www.cnbc.com/2025/02/28/bitcoin-price-plunges-below-80000-as-options-expire.html> - This article discusses Bitcoin's price drop and the impact of options expirations on market volatility, aligning with the article's description of recent cryptocurrency market dynamics.