# Cryptocurrency market faces turbulence as Bitcoin sees massive transaction



The cryptocurrency market continues to experience turbulence as its overall market capitalisation fell to approximately $2.75 trillion, a decline of another 4% on Tuesday. This drop has pushed several notable cryptocurrencies, including Ethereum, Dogecoin, and Chainlink, to emerge as the principal losers among the 20 largest digital assets.

One significant event driving market concerns was a massive Bitcoin transaction involving wallets associated with the now-defunct Mt. Gox exchange. This transaction saw the transfer of 11,335 BTC valued around $930 million, prompting apprehension among investors regarding a potential large-scale sell-off. These fears come as the deadline for repayment to creditors from the Mt. Gox incident looms closer.

In market activity, Bitcoin's price fell to record lows around $76,606 on Tuesday before witnessing an impressive rebound of 8%, reclaiming the $82,000 level during the midday US trading session. Despite this recovery, data shows that Bitcoin Exchange-Traded Funds (ETFs) recorded withdrawals amounting to $369 million on the same day, marking the sixth consecutive day of outflows from Bitcoin ETFs since the beginning of March.

The broader crypto market observed a 3.9% decline in total capitalisation, signifying increased volatility as Bitcoin fluctuated near $83,176. While spot trading volumes for major altcoins remained robust, the derivatives market displayed contrasting sentiments, with some assets showing strength while others faced downward pressure.

In altcoin markets, Ethereum, Cardano, and Ripple captured market attention amid speculation about upcoming congressional approval for cryptocurrency strategic reserves. Cardano (ADA) saw a notable increase of 10.9%, rising to $0.7365. Nevertheless, concerns regarding liquidation risks persisted, with ADA-related liquidations recorded at $1.37 million, primarily from long positions. This suggests a potential overextension in the recent rally.

XRP also experienced a gain of 8.7%, reaching $2.18, while still contending with high levels of short positioning. XRP derivatives recorded $24.96 million in liquidations, indicating a growing short bias among traders expecting resistance near $2.20.

Ethereum (ETH) experienced a price increase of 6.81%, reaching $1,949.46, as it attempted to reclaim critical technical levels. However, data indicated that $140.57 million in liquidations occurred, largely from short positions. The market's overall dynamics involve significant liquidation activity totalling $830.8 million over the past 24 hours, posing challenges to the sentiment surrounding altcoins. For continued upward momentum, cryptocurrencies like ADA, XRP, and ETH must see stronger support from spot trading.

In related developments, Texas lawmakers have introduced a legislative bill aimed at allocating $250 million from the state's economic stabilisation fund to Bitcoin and other digital assets. Known as HB 4258, the bill would enable municipalities and counties to invest up to $10 million in cryptocurrencies if passed; the legislation is set to take effect in 2025. This initiative forms part of a broader strategy to integrate digital assets into Texas' financial infrastructure, building on previous legislative efforts supporting state-backed Bitcoin reserves.

Additionally, the Thai Securities and Exchange Commission has approved Tether's USDT for regulated trading and payments, a decision that will take effect on March 16, 2025. Tether, the world's largest stablecoin with a market capitalisation of $142 billion, is expected to play a significant role in enhancing liquidity and settling trades within Thailand's evolving financial ecosystem.

Meanwhile, Starknet announced plans to launch a Layer 2 solution capable of processing transactions on both Bitcoin and Ethereum, which aims to enhance Bitcoin's functionality beyond mere value storage. The initiative intends to implement various bridging mechanisms to facilitate Bitcoin's participation in decentralized finance (DeFi) applications while striving to alleviate Bitcoin's existing limitations related to transaction costs and smart contract capabilities. Starknet is committed to utilising both established and innovative technologies to develop a robust interoperability framework between Bitcoin and Ethereum.

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

## References

* <https://mudrex.com/learn/bitcoin-down-today/> - This article discusses the volatility in the cryptocurrency market, including Bitcoin's price fluctuations and the impact of significant events like large transactions and regulatory changes on market sentiment. It provides insight into the broader crypto market dynamics and factors contributing to recent price movements.
* <https://zebpay.com/blog/top-10-cryptos-to-invest-in-2025> - This blog post lists the top cryptocurrencies by market capitalization, including Bitcoin, Ethereum, and others, providing a snapshot of the current market landscape. It highlights the market capitalization and current prices of major cryptocurrencies.
* <https://www.coingecko.com/en/global-charts> - CoinGecko provides real-time data on the global cryptocurrency market cap, Bitcoin dominance, and other market metrics. It offers a comprehensive view of the cryptocurrency market's size and trends.
* <https://www.noahwire.com> - Noah Wire Services is mentioned as a source for the article, though specific content related to the article's claims is not directly available. It typically provides financial news and updates.
* <https://www.federalregister.gov/documents/2024/04/22/2024-07496/guidance-for-federal-financial-assistance> - While not directly related to cryptocurrency, this document provides guidance on federal financial assistance, which can be relevant to broader financial regulatory discussions that might impact cryptocurrency markets.