# Cryptocurrency market faces steep decline amidst rising investor anxiety



On March 28, 2025, the cryptocurrency market experienced a momentous drop, reflecting significant investor anxiety and volatility. As reported by Blockchain.News, the total market capitalisation plunged by approximately $130 billion, decreasing from $2.3 trillion at 23:59 UTC on March 27 to $2.17 trillion a day later. Bitcoin, the leading cryptocurrency, saw its price fall from $64,500 to $59,800, a reduction of over 7%. Ethereum also faced a notable decline, dropping from $3,800 to $3,550 in the same timeframe.

The sell-off was attributed to multiple factors affecting market sentiment. The Kobeissi Letter noted that the sudden bearish shift indicates a broader panic among investors, prompting many to reevaluate their positions. Additionally, a surge in trading volume was observed, with Bitcoin on Coinbase nearing 22,000 BTC traded in the first hour of the downturn, a sharp increase from the previous week’s average of 15,000 BTC. Ethereum's trading volume on Binance similarly increased from 800,000 ETH to 1.2 million ETH during the same period, emphasising the extent of panic selling in the market.

Across the board, the CoinDesk 20 Index, which tracks major cryptocurrencies, observed a 5.7% decline as almost all assets recorded losses. Bitcoin specifically fell below the key threshold of $84,000, erasing gains recorded earlier in the week, while Ethereum struggled against Bitcoin, dropping to its weakest relative position since May 2020.

The downturn coincided with disappointing U.S. economic data, revealing a 2.5% year-on-year increase in the Personal Consumption Expenditure (PCE) index, with core inflation even higher at 2.8%. Such economic indicators have raised concerns regarding stagflation—where inflation remains high while economic growth stagnates. Compounding these worries are fears concerning the upcoming implementation of "Liberation Day" tariffs set for April 2, which analysts warn could initiate a downturn for the economy.

From a technical standpoint, several signals indicated a potential for further declines. Bitcoin’s Relative Strength Index (RSI) dropped significantly from 65 to 45, indicating a shift from overbought to neutral conditions, while Ethereum's RSI indicated a similar bearish trend. The Moving Average Convergence Divergence (MACD) also displayed bearish crossovers for both cryptocurrencies, leading several analysts to suggest that further decreases may ensue. Some experts have indicated potential support levels for Bitcoin at the $70-75K mark.

In a related vein, Pi Coin also drew attention due to its erratic performance. Following a peak of near $2.99 in February, the token saw an alarming drop of over 70%, now trading around $0.83. This drop has raised concerns among holders regarding the future of the token. A significant reason for this decline has been its limited availability on major exchanges, which has restricted trading interest.

Despite its current challenges, some analysts see possible signals for a rebound as Pi recently broke from a falling wedge pattern, often seen as a bullish sign. However, for Pi to recover sustainably, it requires visibility on major trading platforms like Binance and Coinbase, which could bolster trader confidence.

In general, the cryptocurrency landscape is experiencing pronounced turbulence, with key factors such as macroeconomic conditions greatly influencing market dynamics. Traders and investors continue to monitor these developments closely as they navigate an environment filled with uncertainty and volatility.

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

## References

* <https://coincentral.com/why-is-the-crypto-market-down-today-115-billion-wipeout-whats-up/> - This article discusses the cryptocurrency market's significant downturn, attributed to factors like economic data and inflation concerns, with Bitcoin and Ethereum experiencing notable price drops.
* [https://www.tradingview.com/news/cointelegraph:e0987e5a8094b:0-bitcoin-price-falls-toward-range-lows-but-data-shows-whales-going-wild-right-now/](https://www.tradingview.com/news/cointelegraph%3Ae0987e5a8094b%3A0-bitcoin-price-falls-toward-range-lows-but-data-shows-whales-going-wild-right-now/) - The article highlights Bitcoin's price decline due to broader economic concerns, including inflation data and upcoming tariffs. It also notes increased trading activity among large investors.
* <https://www.investopedia.com/relative-strength-index-rsi-4689650> - Although not directly linked to the specific event, Investopedia provides a detailed explanation of the Relative Strength Index (RSI), which is used to analyze overbought and oversold conditions in the market, relevant to Bitcoin and Ethereum's RSI changes.
* <https://www.bloomberg.com/news/articles/2024-09-30/federal-reserve-projects-slower-economic-growth> - Bloomberg articles discuss economic indicators and projections, such as slower growth and inflation, which directly relate to the economic conditions mentioned in the cryptocurrency market context.
* <https://www.investopedia.com/what-is-the-personal-consumption-expenditures-price-index-pce-4427838> - Investopedia explains the Personal Consumption Expenditure (PCE) index, which is a key economic indicator related to inflation and consumer spending, directly relevant to the economic data mentioned in the article.
* <https://www.coindesk.com/learn/what-is-the-macd-indicator> - Coindesk provides an explanation of the Moving Average Convergence Divergence (MACD) indicator, used in technical analysis to identify bearish or bullish trends in the cryptocurrency market.
* <https://news.google.com/rss/articles/CBMiqgFBVV95cUxNVm1TYWxydzY1b2xwM1oySWJ1NUxBVXVYZDBvRHlEN2ZvOUxqelN0S3hYdHZoVTFzcm96TVdidU0wdHJWTE5NaWlreHZVVEh5WTJCMkVJWElVOGt5WWUzNHM0al9NQ3RoSW9xZi1zT2RMMjRNdV9jU0pTazF6bzRaQkRNcHpEN0FtXzRpRkRYZE8xcGtXamNZVDNEZlZxQUZJUEp4dEZLbzlaUQ?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data