# Bitcoin shows resilience as stock market suffers major declines



The financial landscape experienced significant turbulence last week, with the S&P 500 facing a decline of over 6% within a span of just five days. Despite this overall downturn, Bitcoin distinguished itself by rising slightly, up over 1% during the same period. This relative stability in Bitcoin's price is notable, especially considering that the Nasdaq recorded one of its largest drops in 25 years, as reported by CoinDesk's James Van Straten.

Market analysts are currently debating Bitcoin's status amidst this uncertain economic climate. Some question whether it is viewed primarily as a risky asset susceptible to sell-offs during market storms or if it has begun to be recognised as a safe-haven asset akin to gold, which had maintained a relatively strong performance prior to the latest market fluctuations. The ongoing discourse around the impact of tariffs on cryptocurrencies continues among researchers, even as the digital assets industry remains optimistic about recovery.

In a move signalling potential industry growth, Circle, the issuer of the second-largest stablecoin, USDC, has officially filed for an Initial Public Offering (IPO). Additionally, a vital U.S. House committee has advanced a stablecoin bill, receiving substantial backing from Democratic representatives. Fidelity Investments, a leading brokerage firm, has announced plans to introduce a new Individual Retirement Account (IRA) that will allow investors to have direct access to cryptocurrencies within their retirement portfolios. This move is aligned with a broader trend evidenced by surveys indicating a growing willingness among financial advisers to merit cryptocurrency products for their clients.

Furthermore, corporate interest in Bitcoin remains robust as companies such as Strategy, Metaplanet, Mara, and Tether continue to accumulate Bitcoin, suggesting they aim to leverage current pricing dynamics. On the technological front, Ethereum developers have set May 7 for their next upgrade, named Pectra. Ripple has reported high demand for its new stablecoin, RLUSD, adding to the mix of developments in the digital currency arena.

In regulatory news, Paul Atkins is nearing confirmation for the position of SEC Chair, as a prominent advocate for cryptocurrencies has stepped down from his position with the Blockchain Association to join a new group focused on Solana. This flurry of activity indicates a potential thaw in the regulatory environment surrounding cryptocurrencies, allowing for quiet growth within the industry, even amid sagging markets.

On another note, venture capital funding in the crypto and blockchain sectors saw a noteworthy increase in the first quarter, with funding more than doubling compared to the previous quarter. According to data from Crunchbase, venture capital funding jumped to $3.8 billion over 220 deals, a 138% rise from the previous quarter's figure of $1.6 billion in 242 deals. This surge was largely driven by a substantial $2 billion investment deal for the cryptocurrency exchange Binance, attributed to an investment firm based in Abu Dhabi. However, this influx of capital was concentrated, and excluding this significant investment, funding for Web3 startups would stand at $1.8 billion, comparable to the third and fourth quarters of last year.

Although there were notable large funding deals, such as Phantom raising $150 million led by Paradigm and Sequoia Capital, the overall deal flow indicates a shrinking trend, with fewer than half the number of deals closed compared to the same quarter a year ago. Despite the energised environment for Web3, particularly regarding cryptocurrencies, price movements during the first quarter reflected challenges. Bitcoin fell by 9%, while Ether experienced a more significant decline of 43%.

This complex interplay of rising funding amidst bearish market conditions continues to shape the cryptocurrency ecosystem, as stakeholders remain cautiously optimistic about the future trajectory of this sector. The recent IPO filings from firms such as Circle and eToro will likely be closely monitored as the industry navigates its ongoing evolution.

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

## References

* <https://www.axios.com/2025/04/04/stock-market-trump-tariffs-china> - This article supports the claim about the decline of the S&P 500 and the impact of economic turbulence on the financial landscape. It also touches on market reactions to tariffs, which can influence cryptocurrency discussions indirectly.
* <https://www.coindesk.com/> - This website often reports on Bitcoin's price movements and its performance relative to other assets during market volatility. It could provide insights into Bitcoin's rise during a broader market downturn.
* <https://coinmarketcap.com/currencies/bitcoin/> - CoinMarketCap offers real-time data on cryptocurrency prices, including Bitcoin, which can support claims about its stability during market fluctuations.
* <https://circle.com/en/investors> - Circle's official announcements about their IPO filing would be available here, providing evidence of their plans to go public and the potential significance for the stablecoin market.
* <https://www.crunchbase.com> - Crunchbase provides comprehensive data on venture capital funding across various sectors, including cryptocurrency and blockchain. This can support claims about the surge in funding for these sectors.
* <https://www.fidelity.com/> - Fidelity Investments' official website would have announcements about new products such as a cryptocurrency IRA, reflecting their interest in expanding into digital assets.