Bitcoin Plummets Below $53K, Erasing $600M in Leveraged Long Positions

Description

The value of Bitcoin experienced a sharp decline to $52,500 on August 5, in a sudden and dramatic drop that saw a 10% decrease from $58,350 in under two hours. Since the abrupt plunge, Bitcoin (BTC) has somewhat recovered and is currently valued at $54,384 as per TradingView data. This recent price point is a stark reminder of the last time Bitcoin traded below $53,000, which was on February 26 earlier this year following the approval of spot Bitcoin exchange-traded funds (ETFs) in the United States.

In a simultaneous sequence of events, Ether (ETH) also took a hit, plummeting 18% from $2,695 to as low as $2,118. However, ETH has managed to rebound slightly and is now trading at $2,358. The significant downward movement in the market has resulted in over $740 million in leveraged positions being wiped out within the cryptocurrency sphere in the past 24 hours. A notable portion of this loss includes liquidated leveraged long positions amounting to over $644 million, as reported by CoinGlass data.

Investors holding leveraged positions on Ether faced the most significant losses, with approximately $256 million in ETH longs being liquidated, alongside $231 million in BTC longs. This market upheaval coincided with a sharp decline in the Japanese stock market, the Nikkei 225, seeing a 7.1% decrease in its early trading hours. This recent turmoil also led to a massive $500 billion wipeout in the total crypto market capitalization over the past three days, marking the largest 72-hour decline in over a year. Market analysts have attributed these turbulent events to various factors, including weak jobs data in the U.S., slowed growth among leading tech companies in the stock market, and potential mass selling by crypto trading firm Jump Crypto.

Vocabulary List:

1. **Decline** /dɪˈklaɪn/ (noun/verb): A decrease in quality quantity or strength; to become smaller or less.
2. **Plunge** /plʌndʒ/ (noun/verb): A sudden and steep fall; to fall or drop suddenly.
3. **Liquidated** /ˈlɪkwɪˌdeɪtɪd/ (verb): To convert assets into cash; to eliminate or dissolve.
4. **Wipeout** /ˈwaɪp.aʊt/ (noun): An act of completely eliminating or annihilating; a total collapse.
5. **Capitalization** /ˌkæpɪtəlɪˈzeɪʃən/ (noun): The total value of a company’s outstanding shares; the process of funding.
6. **Heft** /hɛft/ (noun/verb): The weight or heaviness of something; to lift or carry something heavy.

Comprehension Questions

Multiple Choice

1. What was the value of Bitcoin on August 5 after the sharp decline?

   Option: $54,384
   Option: $58,350
   Option: $52,500
   Option: $53,000

2. What percentage of decrease did Bitcoin experience in under two hours on August 5?

   Option: 5%
   Option: 10%
   Option: 15%
   Option: 20%

3. When was the last time Bitcoin traded below $53,000 before the recent drop?

   Option: February 26 earlier this year
   Option: August 5
   Option: April 1 last year
   Option: July 15 last year

4. How much did Ether (ETH) plummet from on August 5?

   Option: $2,695 to $2,118
   Option: $2,118 to $2,358
   Option: $2,358 to $2,695
   Option: $2,695 to $2,358

5. What is the total amount of leveraged positions wiped out within the cryptocurrency sphere in the past 24 hours?

   Option: Over $740 million
   Option: Over $500 billion
   Option: Over $1 billion
   Option: Over $300 million

6. What was the approximate value of liquidated leveraged long positions reported by CoinGlass data?

   Option: Over $644 million
   Option: Over $200 million
   Option: Over $400 million
   Option: Over $800 million

Answer

Multiple Choice: 1. $54,384 2. 10% 3. February 26 earlier this year 4. $2,695 to $2,118 5. Over $740 million 6. Over $644 million

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. Which of the following words means something beloved or valued greatly?

   Option: Cherished
   Option: Infamous
   Option: Autonomy
   Option: Heft

2. What refers to general directions in which something is developing or changing?

   Option: Operations
   Option: Trends
   Option: Attributable
   Option: Acumen

3. Which term describes the likelihood of dramatic price swings in the stock market or an indicator?

   Option: Rebound
   Option: Volatility
   Option: Disappointing
   Option: Capitalization

4. What word refers to the ability or right to make one's own decisions without interference?

   Option: Mandate
   Option: Autonomy
   Option: Infamous
   Option: Bullish

5. Which term means a renewed interest or revival after a period of inactivity?

   Option: Retracing
   Option: Decline
   Option: Plunge
   Option: Resurgence

6. Which term indicates a sudden and strong increase in activity or value?

    Option: Anticipate
    Option: Bustled
    Option: Optimism
    Option: Surged

7. What word suggests weight significance or importance of something?

    Option: Cherished
    Option: Heft
    Option: Volatility
    Option: Wipeout

8. Which term conveys the feeling of not reaching an expected level of achievement or satisfaction?

    Option: Liquidated
    Option: Disappointing
    Option: Attributable
    Option: Cherished

9. To expect or predict something is to _______ it.

    Option: Cherished
    Option: Anticipate
    Option: Transition
    Option: Bustled

10. What term refers to the activities involved in running a business or organization?

    Option: Trends
    Option: Operations
    Option: Poignant
    Option: Interference

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. A period of change from one state or condition to another is known as a ________________________.

12. An official order or commission to do something is referred to as a ________________________.

13. Being optimistic about the rise in prices or overall market is to have a ________________________ outlook.

14. The hopefulness and confidence about the future or the success of something is called

________________________.

15. Having a reputation of being well-known for some bad quality or deed is to be ________________________.

16. A complete destruction or obliteration of something is termed as a ________________________.

17. The total value of a company's outstanding shares of stock is its market ________________________.

18. Something that can be ascribed to a specific cause or factor is said to be ________________________.

19. Something that evokes a keen sense of sadness or regret is described as ________________________.

20. The action of getting involved in a situation where one is not welcome or needed is called

________________________.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. Examining the steps of a journey or process in reverse order to recall or follow previous actions.
22. The emotional attitudes or opinions individuals hold towards a particular topic often reflected in their actions or expressions.
23. A sudden and steep decrease especially in value price or a physical descent.
24. The process of winding up a company's affairs and distributing its assets often due to insolvency or financial difficulty.
25. The degree of variation or fluctuation in the trading price of a financial instrument such as a stock or currency pair.
26. Treasured or valued greatly often with deep affection or sentiment attached.
27. To move or act with a great show of energy and activity typically in a bustling or hurried manner.
28. Experiencing a sudden and significant increase or rise in activity value or power.
29. Keen insight perceptiveness or shrewdness in understanding and making quick decisions.
30. The process or period of changing from one state condition or activity to another.

Answer

Multiple Choice: 1. Cherished 2. Trends 3. Volatility 4. Autonomy 5. Resurgence 6. Surged 7. Heft 8. Disappointing 9. Anticipate 10. Operations
Gap-Fill: 11. Transition 12. Mandate 13. Bullish 14. Optimism 15. Infamous 16. Wipeout 17. Capitalization 18. Attributable 19. Poignant 20. Interference
Matching sentence: 1. Retracing 2. Sentiment 3. Plunge 4. Liquidated 5. Volatility 6. Cherished 7. Bustled 8. Surged 9. Acumen 10. Transition

CATEGORY

1. Business - LEVEL5

Date Created
2024/08/05
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