



Bitcoin Plummets Below \$53K, Erasing \$600M in Leveraged Longs

Description

The value of Bitcoin plunged to as low as \$52,500 on August 5th, experiencing a sudden drop of 10% from \$58,350 within a mere two hours. However, Bitcoin (BTC) has since recovered slightly and is currently valued at \$54,384 according to data from TradingView. This sharp decline below \$53,000 marks the first time since February 26 of this year, when Bitcoin surged following the approval of spot Bitcoin exchange-traded funds in the United States.

In the same timeframe, Ether (ETH) also suffered a drastic fall, plummeting 18% from \$2,695 to a low of \$2,118. As of now, ETH has rebounded slightly, trading at \$2,358 as reported by TradingView. The recent downward movement has led to over \$740 million in leverage positions being liquidated in the cryptocurrency market, with approximately \$644 million in leveraged long positions being wiped out.

Notably, traders who leveraged Ether were hit the hardest, with over \$256 million in ETH long positions being liquidated, alongside \$231 million in BTC long positions. The sudden drop in crypto asset prices coincided with a significant sell-off in the Japanese stock market, the Nikkei 225, which plunged by 7.1% during early trading hours.

The rapid flash crash resulted in the total crypto market capitalization decreasing by as much as \$500 billion in the past three days. This decline, the most significant in over a year, has been attributed to various factors including weak job data in the US, slowed growth among leading tech companies in the stock market, and concerns of widespread selling from crypto trading firms like Jump Crypto.

Vocabulary List:

1. **Plunge** /plʌndʒ/ (verb): To fall or drop suddenly and dramatically.
2. **Liquidated** /'lɪkwɪdeɪtɪd/ (verb): To sell off assets often to pay debts or as part of a financial settlement.
3. **Drastic** /'dræstɪk/ (adjective): Extreme or sudden in effect or action.
4. **Capitalization** /,kæpɪtælɪz'zeɪʃən/ (noun): The total value of a company's outstanding shares of stock.
5. **Surged** /sɜrdʒd/ (verb): To rise quickly and suddenly often used in the context of prices or trends.
6. **Concerns** /kən'sɜrnz/ (noun): Things that cause worry or anxiety.

Comprehension Questions

Multiple Choice

1. What was the lowest price Bitcoin plunged to on August 5th?

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

2. How much did Ether plummet by during the same timeframe as Bitcoin?

- Option: 7%
- Option: 10%
- Option: 18%
- Option: 25%

3. How much leverage positions were liquidated in the cryptocurrency market?

- Option: \$256 million
- Option: \$644 million
- Option: \$740 million
- Option: \$500 billion

4. What was the reason for the decline in crypto market capitalization?

- Option: Strong job data in the US
- Option: Rapid growth among tech companies
- Option: Weak job data in the US
- Option: Expansion of crypto trading firms

5. Which market also experienced a significant sell-off during this period?

- Option: NYSE
- Option: Nikkei 225
- Option: DAX
- Option: FTSE 100

6. What caused the flash crash according to the provided information?

- Option: Approval of ETFs
- Option: Strong job data in Japan
- Option: Selling from tech companies
- Option: Concerns from crypto trading firms

**Gap-Fill**

7. The value of Bitcoin plunged to as low as \$ _____ on August 5th.

8. Traders who leveraged Ether lost over \$ _____ in ETH long positions.

9. The total crypto market capitalization decreased by as much as \$ _____ in the past three days.

10. The decline in the market has been attributed to various factors including weak job data in the _____.

11. The Nikkei 225 plunged by _____ % during early trading hours.

Answer

Multiple Choice: 1. \$52,500 2. 18% 3. \$740 million 4. Weak job data in the US 5. Nikkei 225 6. Concerns from crypto trading firms

Gap-Fill: 7. 52,500 8. 256 million 9. 500 billion 10. US 11. 7.1

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

1. Which term describes a sudden and significant increase in value?

- Option: Surged
- Option: Retreated
- Option: Volatility
- Option: Plunge

2. What financial metric represents the profits of a company?

- Option: Indices
- Option: Resilience
- Option: Earnings
- Option: Capitalization

3. Which term means expected or predicted?

- Option: Accepting
- Option: Plunge
- Option: Anticipated
- Option: Conflict

4. What term describes a lack of consistency or steady behavior?

- Option: Surge
- Option: Volatility
- Option: Instability
- Option: Sustainability

5. Which term refers to a feeling of worry nervousness or unease about something with an uncertain outcome?

- Option: Sentiment
- Option: Exacerbate
- Option: Anxiety
- Option: Surged

6. What word best describes worries or issues that cause distress or unease?

- Option: Resilience
- Option: Concerns
- Option: Escalate
- Option: Exploitation

7. Which term denotes a process of returning to a normal state after a period of difficulty or crisis?

- Option: Liquidated
- Option: Recovery
- Option: Plunge
- Option: Sustainability

8. What does the term "escalate" mean?

- Option: Conflict
- Option: Optimistic
- Option: Escalate
- Option: Surge

9. Which term relates to actions taken in the interest of human welfare and well-being?

- Option: Surge
- Option: Humanitarian
- Option: Concerns
- Option: Volatility

10. What does "plunge" mean in a financial context?

- Option: Plunge
- Option: Anticipated
- Option: Liquidated
- Option: Anxiety

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

11. After the initial surge in stock prices the market _____ significantly.

12. Investors are cautiously _____ the proposed merger as a positive move.

13. The company implemented _____ cost-cutting measures to improve financial performance.

14. The market _____ of the tech sector has surpassed all expectations.

15. Investors are wary of the market's high _____ due to global economic uncertainty.

16. There were concerns about the potential _____ of natural resources in the region.

17. The company's long-term success hinges on its commitment to environmental _____.

18. The stock market experienced a significant _____ amid fears of a recession.

19. Currency _____ can impact international trade and investment decisions.

20. The company's ability to adapt to challenges demonstrates its _____ in a competitive market.

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

21. Investors who are optimistic about the market's future performance are often described as .

22. The company addressed the community's by implementing more sustainable practices.

23. The technology firm's market exceeded that of its competitors.



24. Despite recent setbacks the CEO remains **optimistic** about the company's future growth.
25. The struggling business was forced to **liquidate** its assets to repay its creditors.
26. The economic downturn threatened to **escalate** the unemployment rate.
27. Investors panicked as stock prices took a sudden **plunge** due to global market uncertainties.
28. The demand for the new product caused sales to **surge** exceeding all expectations.
29. Political **instability** in the region led to economic uncertainty and investor hesitation.
30. The market analysts correctly **predicted** the upcoming interest rate hike.

Answer

Multiple Choice: 1. Surged 2. Earnings 3. Anticipated 4. Instability 5. Anxiety 6. Concerns 7. Recovery 8. Escalate 9. Humanitarian 10. Plunge

Gap-Fill: 11. Retreated 12. Accepting 13. Drastic 14. Capitalization 15. Volatility 16. Exploitation 17. Sustainability 18. Sell-off 19. Fluctuations 20. Resilience

Matching sentence: 1. Bullish 2. Concerns 3. Capitalization 4. Optimistic 5. Liquidated 6. Exacerbate 7. Plunge 8. Surge 9. Instability 10. Anticipated

CATEGORY

1. Business - LEVEL4

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