

Crypto Market in Crisis: Bitcoin and Ether Dive.

Description

Cryptocurrencies experienced a significant downturn on Monday as global markets exhibited risk aversion, resulting in Bitcoin plunging by more than 11% and Ether experiencing its most substantial decline since 2021. At one point, Bitcoin was trading 10% lower at \$53,100, following a 13.1% drop the previous week, marking its worst performance since the FTX exchange crisis. Meanwhile, Ether saw a decrease of over 20% before recovering slightly to settle at \$2,360. The majority of major cryptocurrencies were deeply in the red amid the market turmoil.

The market volatility can be attributed to the escalating global stock sell-off, which has sparked concerns regarding the economic outlook and the potential overvaluation of investments in artificial intelligence. Moreover, rising geopolitical tensions in the Middle East have further exacerbated investor unease.

Notably, US exchange-traded funds linked to Bitcoin witnessed their largest outflows in three months on August 2, raising questions about the market's resilience in the face of uncertainties. Additionally, the unwinding of the yen carry trade has impacted digital assets as speculators adjust to higher interest rates in Japan.

Despite these challenges, some experts believe that the prospect of US interest-rate cuts could benefit the crypto market, as it would support economic growth. While Bitcoin and Ether have faced various headwinds in recent months, including political uncertainties and potential oversupply risks, some analysts view the current market correction as a favorable buying opportunity.

In the past 24 hours, approximately \$760 million worth of bullish crypto positions using derivatives were liquidated, underscoring the high level of leveraged bets in the market. As investors navigate these turbulent waters, it remains to be seen how the market will react to the ongoing uncertainties and whether crypto assets will regain their footing in the near future.

Vocabulary List:

1. **Volatility** /ˌvɒl.əˈtɪl.ɪ.ti/ (noun): The tendency of a market or asset to experience rapid and significant changes in value.
2. **Downturn** /ˈdaʊn.tɜrn/ (noun): A decline in economic or market activity.
3. **Outflows** /ˈaʊt.fləʊ/ (noun): The movement of money out of an account fund or market.
4. **Speculators** /ˈspek.jə.leɪ.tər/ (noun): Individuals or entities that engage in risky financial transactions in the hope of making a profit.
5. **Geopolitical** /ˌdʒi.oʊ.pəˈlɪt.i.kəl/ (adjective): Relating to the effects of geography on international politics and international relations.
6. **Decline** /dɪˈklaɪn/ (verb): To decrease in quality quantity or importance.



Comprehension Questions

Multiple Choice

1. What was Bitcoin's price at one point during the downturn?
Option: \$53,100
Option: \$60,000
Option: \$50,000
Option: \$45,000
2. How much did Ether decline by during the downturn?
Option: 10%
Option: 15%
Option: 20%
Option: 25%
3. What was the reason attributed to the market volatility?
Option: Escalating global stock sell-off
Option: Economic growth
Option: Stabilization of investments
Option: Rising interest rates
4. What event caused US exchange-traded funds linked to Bitcoin to witness outflows?
Option: August 2
Option: FTX exchange crisis
Option: Unwinding of the yen carry trade
Option: Potential US interest-rate cuts
5. What could benefit the crypto market according to some experts?
Option: US interest-rate cuts
Option: Global recession
Option: Geopolitical tensions
Option: Higher interest rates in Japan
6. What worth of bullish crypto positions using derivatives were liquidated in the past 24 hours?
Option: \$500 million
Option: \$760 million



- Option: \$1 billion
Option: \$300 million

Answer

Multiple Choice: 1. \$53,100 2. 20% 3. Escalating global stock sell-off 4. August 2 5. US interest-rate cuts
6. \$760 million

Vocabulary quizzes

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

1. Which term refers to the degree of variation of financial trading prices?
Option: A. Volatility
Option: B. Compliance
Option: C. Advocates
Option: D. Federal
2. What type of factors refer to issues related to politics and international relations?
Option: A. Outflows
Option: B. Geopolitical
Option: C. Speculators
Option: D. Decline
3. Which term describes individuals or entities that engage in high-risk financial transactions for potential profit?
Option: A. Legalization
Option: B. Speculators
Option: C. Compliance
Option: D. Downturn
4. What verb means to give something in order to help achieve or provide something?
Option: A. Outflows
Option: B. Quintessential
Option: C. Contribute
Option: D. Exacerbated
5. Which term refers to a decrease or reduction in something?
Option: A. Undocumented
Option: B. Cherished



- Option: C. Decline
Option: D. Regrettably

6. What term relates to a system of government in which entities such as states share power with a national government?

- Option: A. Compliance
Option: B. Federal
Option: C. Advocates
Option: D. Volatility

7. What process involves making something lawful in the eyes of the law?

- Option: A. Speculators
Option: B. Legalization
Option: C. Compliance
Option: D. Undocumented

8. Which term refers to lacking the necessary legal documents or proof?

- Option: A. Advocates
Option: B. Downturn
Option: C. Undocumented
Option: D. Exacerbated

9. What term indicates conforming to a rule standard law or guideline?

- Option: A. Decline
Option: B. Geopolitical
Option: C. Compliance
Option: D. Contribute

10. Who are people who publicly support or recommend a particular cause or policy?

- Option: A. Cherished
Option: B. Federal
Option: C. Advocates
Option: D. Outflows

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

11. _____ the company had to downsize due to financial constraints.
12. The mood at the office was _____ after the announcement of layoffs.
13. The lack of rain _____ the already critical water shortage in the region.



14. The chef prepared a _____ four-course meal for the guests.
15. The old photograph was a _____ memory of a family vacation.
16. The company experienced significant capital _____ due to poor investments.
17. The economic _____ forced many businesses to close their doors.
18. _____ tensions between the countries led to trade disruptions.
19. The market was highly volatile due to the presence of numerous _____.
20. The historic building was considered the _____ example of Victorian architecture.

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

21. Investors were wary of the stock market due to its unpredictable nature.
22. The company's profits began to fall steadily over the past fiscal year.
23. Her innovative ideas greatly to the success of the project.
24. The organization faced challenges in verifying the identities of individuals.
25. All employees are required to adhere to the company's code of conduct in order to ensure with regulations.
26. The government's decision to consider the of certain substances sparked a heated debate.
27. Environmental are pushing for stricter policies to protect endangered species.
28. the project was delayed due to unforeseen circumstances.
29. The family heirloom was for generations and held sentimental value.
30. The atmosphere was as they gathered to pay their respects at the funeral.

Answer

Multiple Choice: 1. A. Volatility 2. B. Geopolitical 3. B. Speculators 4. C. Contribute 5. C. Decline 6. B. Federal 7. B. Legalization 8. C. Undocumented 9. C. Compliance 10. C. Advocates

Gap-Fill: 11. Regrettably



12. Sombre 13. Exacerbated 14. Delectable 15. Cherished 16. Outflows 17. Downturn 18. Geopolitical
19. Speculators 20. Quintessential

Matching sentence: 1. Volatility 2. Decline 3. Contribute 4. Undocumented 5. Compliance 6. Legalization
7. Advocates 8. Regrettably 9. Cherished 10. Sombre

CATEGORY

1. Business - LEVEL6

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