

Bitcoin News - What is the reason behind Bitcoin's price dropping?

These days, the [Bitcoin currency](#) market is not very prosperous and cannot regain key supports. Inflation became one of the most important issues in the world at the beginning of 2022. As the corona receded, demand for goods increased around the world. As the supply chain failed to recover quickly, supply and demand imbalances led to global inflation. In addition, after the Russian-Ukraine war in February, energy and food prices soared. This spread the fear of inflation around the world and urged governments to rely on the interest rates, the oldest means of controlling inflation. Concerns about inflation and an unfavorable investment conditions due to wartime crises such as famine, political and social crises and the possibility of further conflict have resulted in capital shifting to markets such as gold and treasury bonds. The cryptocurrency market as a risk market is no exception, and many assets excluded from the market. As interest rates began to rise, the value of cryptocurrencies gradually declined. During this time, Bitcoin has lost about 56% of its value and is currently stands at \$30,000. Governments' action against inflation is another influencing factor in the cryptocurrency market.

Furthermore, The Federal Reserve plans to raise interest rates by 0.5% next month. This can put more pressure on high-risk markets, including cryptocurrencies.

Can Bitcoin go up again?

The analysis shows that from November 2021 to April 2022, Bitcoin's long-term chart shows an ongoing flag trend. This pattern strengthened the downtrend in the cryptocurrency market and accompanied by the sale of digital currencies in early 2022.

According to the Bitcoin chart over the past few days, Bitcoin fell to \$25,000 but rebounded to \$30,000, setting a significant support level in the \$ 29,000 range. Now, if the bulls can break the \$32,000 resistance range, the market is likely to rise. However, experts believe that until Bitcoin settles in the \$50,000 range, the market cannot be expected to rise. **Is Bitcoin worth investing in?** The reason to rely on Bitcoin to gauge the state of the entire crypto market is its dominance. Of the total current capital of the crypto market, over 40% is held by Bitcoin. Over the past seven years, this is the longest Bitcoin downtrend. Meanwhile, Bitcoin's Relative Strength Index (RSI) has bottomed out and is currently in the saturation zone. In the RSI analysis, it is thought that this is a good step to enter, as Bitcoin is likely to start rising again. **Source:** The Pipsafe Team - [Latest Bitcoin and Altcoin News](#)