Do you know what’s going to happen to this asset when we have a period of sustained dollar depreciation," Pandl asked, suggesting the bitcoin price will surge.

The dollar's decline in recent months comes as investors are waiting for Federal Reserve chair Jerome Powell to signal the Fed will cut interest rates next month during his closely-watched speech at the Jackson Hole economic symposium meeting of central bankers on Friday.

"The market is looking for a soft [economic] landing and Fed rate cuts ... which is negative for the dollar," Athanasios Vamvakidis, head of G10 foreign exchange strategy at Bank of America, told the Financial Times, adding the dollar is "still overvalued."

Alongside expected weakness for the U.S. dollar, traders are also betting on continued U.S. spending that will push up the $35 trillion debt pile whether former president and Republican candidate Donald Trump retakes the White House in November or if vice president Kamala Harris wins it for the Democratic Party.

"As the market comes to grips with whatever candidate wins, we’re in for four more years of reckless fiscal policy," VanEck's head of crypto research Matthew Sigel, told CNBC. "The history is that bitcoin really hits its stride at that point. So we’re buyers here. We think it recovers."

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The bitcoin price rally has this year been largely driven by the long-awaited arrival of a fleet of spot bitcoin exchange-traded funds (ETFs) on Wall Street, with some betting that the continued success of the funds will support the bitcoin price into 2025.

Institutional investors have "bought the dip" over the second quarter of the year, despite a decline in the bitcoin price of 12%, according to a report from asset manager Bitwise, with the company's chief investment officer, Matt Hougan, calling it a "great sign."

"If institutions will buy bitcoin when prices are volatile, imagine what could happen in a bull market," Hougan wrote in the report, adding: "The institutions are coming, and they're coming in size."

While bitcoin and the dollar decline, the price of gold has hit a fresh all-time high this week on growing fears of international instability.

"I think what we’re seeing here is that investors don’t yet move into bitcoin during periods of uncertainty,” Kaiko research analyst Adam Morgan McCarthy told Decrypt.

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The bitcoin price has climbed back to its previous all-time high of around $70,000 per bitcoin—and could be poised to go "parabolic" after traders spotted a surprise price pattern—while ethereum, XRP and other cryptocurrencies are braced for a Wall Street earthquake of their own.

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Now, as Trump and Biden hurtle toward a bitcoin showdown, a potentially game-changing bill with a surprise crypto provision has been passed by a Senate committee, which could be the most important U.S. crypto policy ever if it becomes law.

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bitcoin, bitcoin price, ethereum, ethereum price, XRP, XRP price, crypto, Joe Biden, Donald Trump, image

Bitcoin and crypto have become a major political issue ahead of the showdown this year between U.S. ... [+]Getty Images

The U.S. Senate select committee on intelligence's funding package was recently waved through with an almost unnoticed crypto provision that would force crypto companies to collect more information about users or face being caught up in sanctions designed to prevent terrorism financing.

The passage, spotted by eagle-eyed reporters at Coindesk, would reportedly "speed and automate the process to sanction 'foreign digital asset transaction facilitators'—including crypto exchanges—that are linked to users who support terrorism groups."

The Intelligence Authorization Act (IAA) cleared the committee in a unanimous 17-0 vote though its crypto section wasn't mentioned when senator Mark Warner, a Democratic lawmaker from Virginia and the committee's chairman, announced the vote in a press release.

"This year’s bill enhances the IC’s [U.S. intelligence community] ability to identify and counter emerging technological threats posed by adversarial nations," senator Warner wrote. "The IAA also designates foreign ransomware organizations as hostile cyber actors and ensures the IC has the tools it needs to counter economic coercion and illicit technology transfer."

Bitcoin and crypto are often demanded by hackers as part of ransomware attacks.

However, crypto industry insiders polled by Coindesk say the provision is unlikely to survive the budget process.

06/13 update: U.S. president Joe Biden's campaign team has held talks with crypto companies about accepting crypto donations via major exchange Coinbase, it was reported by The Block, citing anonymous sources, as the battle for the orange vote heats up ahead of November's presidential election.

"They’re paying attention to issues around crypto and are trying to find quick wins to show that they're supportive of the industry," one of The Block's sources, who reportedly works with politicians and crypto industry leaders, said. "[They want] to show that they're not the enemy."

The Biden campaign's sudden stance shift on bitcoin and crypto comes after Biden's rival in this year's race for the White House Donald Trump issued his full-throated support for bitcoin, crypto and the U.S. mining industry.

Earlier this week, after meeting with crypto mining companies at his Mar-a-Lago home, Trump said bitcoin mining could be "our last line of defense against a CBDC [central bank digital currency]," and warned what he called Biden's "hatred of bitcoin" is an aid to "China, Russia, and the radical communist left."

Trump himself began accepting bitcoin and crypto donations via Coinbase last month.

Traders on the crypto-based Polymarket prediction platform reckon Trump has a 56% chance of retaking the White House this year, with Biden currently on 35%. Polymarket users may skew toward crypto, however, and Coindesk points to a number of recent polls that Polymarket users called correctly but over-egged.

Crypto companies, tired of the political and regulatory limbo they've found themselves in over recent years, have poured around $100 million into so-called super political action committees (pacs), with major crypto companies like XRP developer Ripple and crypto exchange Coinbase giving large donations to the super pacs that can spend on their preferred candidates' behalf.

"I think it likely does get zapped out of the NDAA [National Defense Authorization Act] process given the immediate push back from the industry," Cody Carbone, chief police officer for the Digital Chamber, told Coindesk.

Last month, the U.S. House of Representatives passed the Financial Innovation and Technology for the 21st Century Act known as Fit21 which split up responsibility for cryptocurrency regulation between the Securities and Exchange Commission (SEC) and the Commodities Futures Trading Commission (CFTC) and was broadly supported by crypto companies and pro-crypto lobby groups.

The Biden administration has sought to soften its attitude toward bitcoin and crypto in recent weeks after 2024 White House hopeful Donald Trump pledged his support to the crypto industry.

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Forbes'A Very Big Opportunity'-Crypto Suddenly Braced For A 'Tremendous' China Earthquake After Bitcoin, Ethereum And XRP Price Boom

By Billy Bambrough

bitcoin, bitcoin price, Donald Trump, Joe Biden, ethereum, ethereum price, XRP, XRP price, crypto, chart

The bitcoin price has rocketed higher over the last year, thrusting bitcoin, ethereum, XRP and other ... [+]Forbes Digital Assets

Last week, Trump reportedly went on a crypto charm offensive during a Silicon Valley fundraiser hosted by investors David Sacks and Chamath Palihapitiya, it was reported by Reuters.

The fundraiser, which sold top tickets for $250,000, was reportedly sold out and bagged Trump around $12 million.

"He said he would be the crypto president," Trevor Traina, a San Francisco-based tech executive and former Trump ambassador to Austria, was quoted by the newswire, while Jacob Helberg, an adviser to data analytics company Palantir, said: "President Trump made clear that the Biden-Gensler crusade against crypto will grind to a halt within one hour of a second Trump administration," referring to SEC chair Gary Gensler.

Trump has leaned into bitcoin and crypto in recent weeks after making millions from a series of crypto-based digital trading card non-fungible tokens (NFTs) and putting him starkly at odds with the Biden administrations anti-crypto stance. Trump declared support for crypto in late May and began accepting campaign donations in bitcoin, ethereum, solana, dogecoin and shiba inu.

"Crypto is such an obvious win," Jason Calacanis, an investor who hosts the All In podcast alongside Sacks, Palihapitiya and David Friedberg, said on last week's show, recorded ahead of the fundraiser.

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. he bitcoin price has this week dived lower, crashing toward $60,000 per bitcoin after topping $70,000 earlier this month, with fears emerging a "true correction" has already begun.

Now, as Trump warns the U.S. dollar could lose its position as the world's reserve currency, U.S. representative Matt Gaetz, a Republican from Florida, has introduced what he described as a "groundbreaking" bill that would allow federal income taxes to be paid in bitcoin.

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Forbes'Time To Panic?'-Sudden $200 Billion Bitcoin, Ethereum, Solana, XRP And Crypto Price Crash Triggers 'Critical' Alarm

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Matt Gaetz, bitcoin, bitcoin price, crypto, image

Representative Matt Gaetz (R-FL) introduced the bitcoin bill to Congress.Getty Images

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"This is a bold step toward a future where digital currencies play a vital role in our financial system, ensuring that the U.S. remains at the forefront of technological advancement," Gaetz said in a statement, adding it would "promote innovation, increase efficiency, and offer more flexibility to American citizens."

Gaetz's statement recalls comments made recently by former U.S. president and 2024 White House hopeful Donald Trump, who has said he wants the U.S. to lead bitcoin development.

"I will end Joe Biden's war on crypto," Trump said at a recent rally in Wisconsin. "We will ensure that the future of crypto and the future of bitcoin will be made in America."

Trump has leaned into bitcoin and crypto in recent weeks after making millions from a series of crypto-based digital trading card non-fungible tokens (NFTs) and putting him starkly at odds with the Biden administration's anti-crypto stance. Trump declared support for crypto in late May and began accepting campaign donations in bitcoin, ethereum, solana, dogecoin and shiba inu.

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ForbesLeak Reveals Crypto Is Braced For A Huge Biden Flip Ahead Of Trump Debate That Could Trigger A Bitcoin, Ethereum And XRP Price Earthquake

By Billy Bambrough

bitcoin, bitcoin price, crypto, chart

The bitcoin bill followed a bitcoin price crash that some feared could be about to get a lot worse. Forbes Digital Assets

In 2022, the state of Colorado began accepting crypto for tax payments while Utah, New Jersey and Kentucky have also made moves toward accepting bitcoin.

U.S. lawmakers have made some progress with crypto bills this year after failing to find common ground on a number of bills over the last few years.

In May, the House passed the Republican-led Financial Innovation and Technology for the 21st Century Act, known as Fit21, that carves up responsibility for crypto markets between the Securities and Exchange Commission (SEC) and the Commodities and Futures Trading Commission (CFTC), though it not expected to become law this year.

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