

# Bitcoin Market Analysis: Navigating the Downturn

# Executive Summary

Bitcoin corrected from >20

000 to <5

000 in November 2025

Macroeconomic pressures and liquidity crunch drove >20% decline

Rare institutional buying slowdown vs. daily mined supply

Technical breach of 00K support triggered panic cascade

Recovery depends on risk sentiment stabilization and renewed inflows

Price Drop: -2

# Key Causes of the Downturn

Panic Selling by Short-Term Holders

Critical Liquidity Crunch

Macroeconomic Uncertainty

Institutional Buying Slowdown

Technical Breakdown & Sentiment Shifts

# Panic Selling & Forced Liquidations

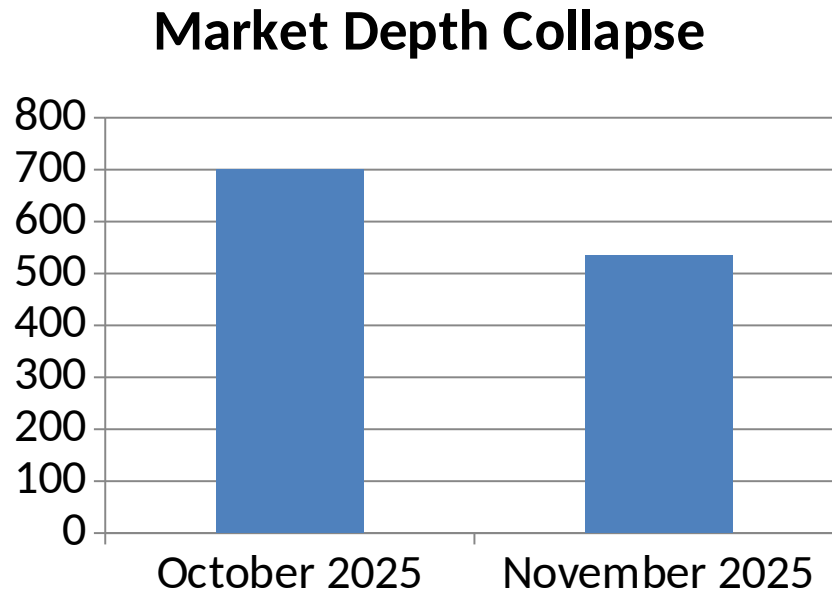
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**Price Range: 20,000 → 5,000**

Short-term holders accelerated selling at a loss  
Forced liquidations cascaded through derivatives markets  
Long-term holders took minimal profits—no bear market distribution  
Deleveraging cleared speculative positions from the system



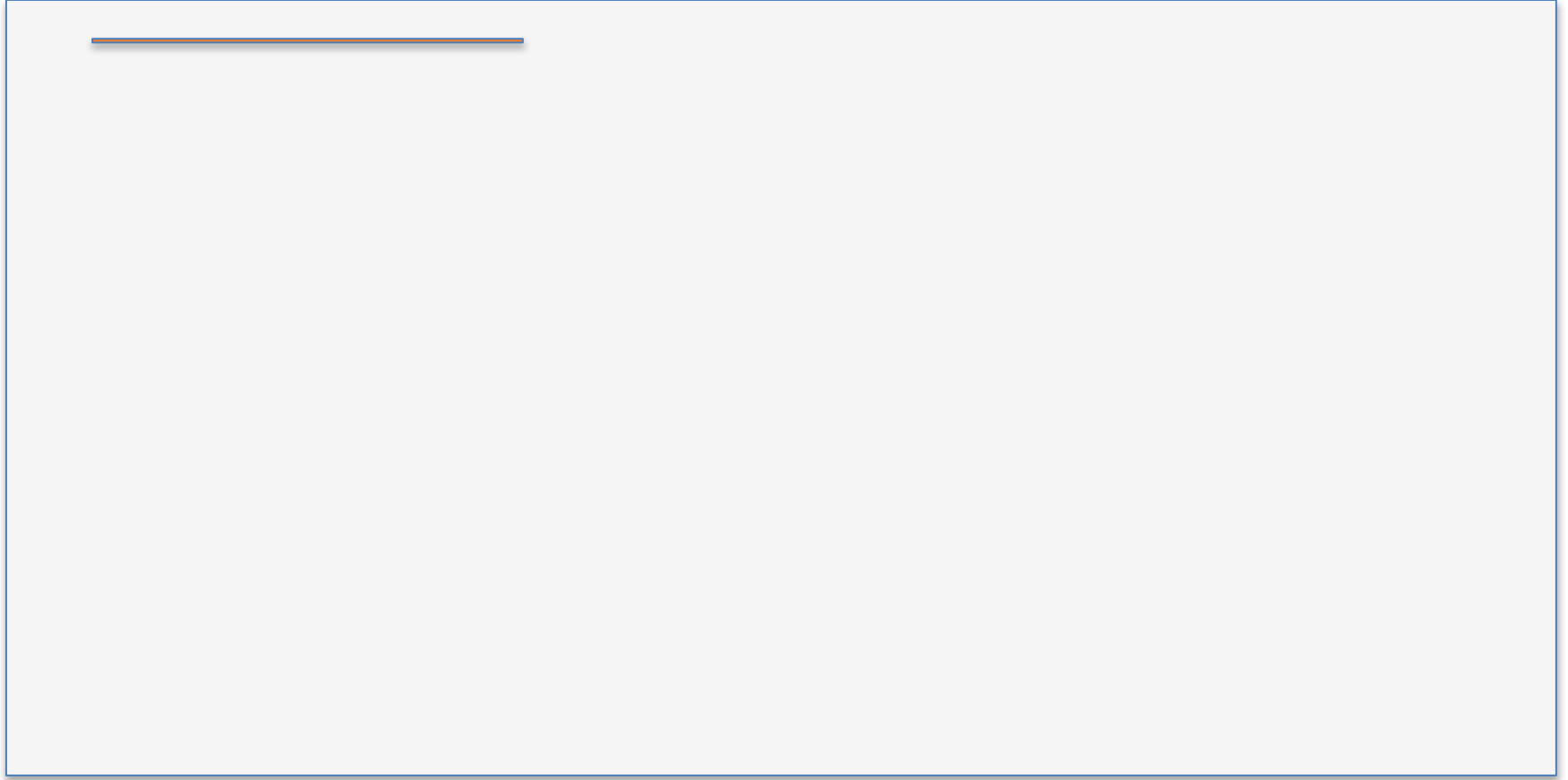
# Critical Liquidity Shortage



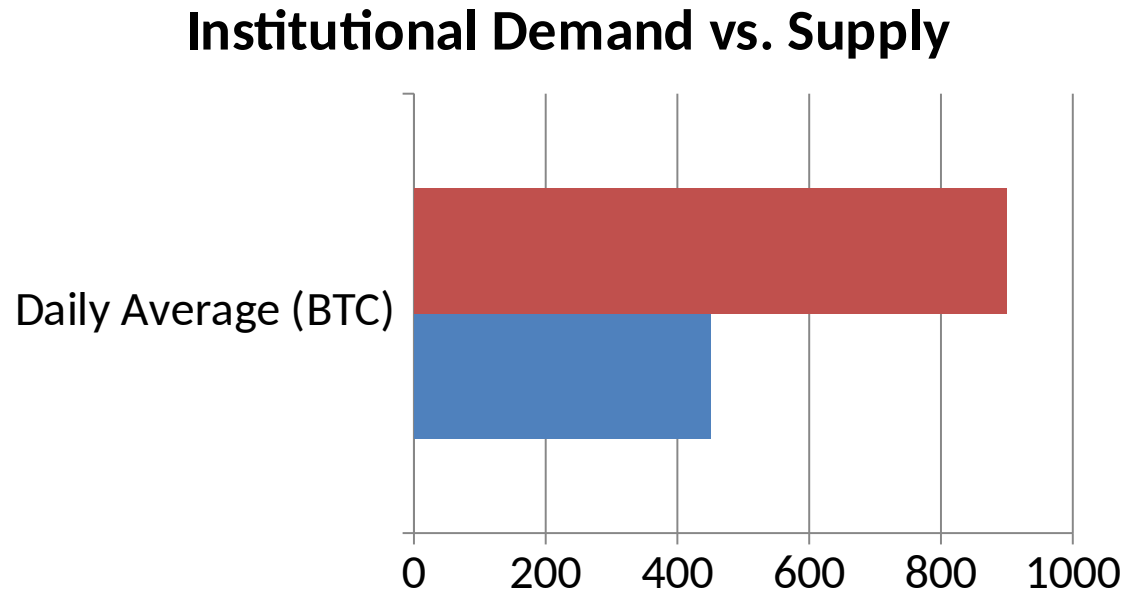
## **-24% Liquidity**

Market depth fell from 00M+ to ~35M, creating extreme price vulnerability. Thinner order books amplify volatility and enable cascading sell-offs.

# Macroeconomic Headwinds



# Institutional Demand Slowdown



For the first time in seven months, net institutional purchases fell below daily mined supply. Large players are not absorbing new issuance.

# Technical Breakdown & Sentiment

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## 00,000 Support Breach

Psychological 00K level failure triggered retail panic

Options traders positioned for further downside

Market sentiment: Extreme Fear

Many holders now underwater on cost basis



EXTREME FEAR



# Seasonal & Halving Cycle Dynamics

November historically Bitcoin's strongest month  
Post-halving volatility patterns show mid-cycle dips  
Current correction may be healthy position clearing  
Consolidation phase likely before potential rebound

Historical Patt

# On-Chain Data Insights

Coins moving from long-dormant wallets to exchanges

Indicates capitulation by weaker hands—not institutional exodus

ETF inflows from traditional finance have slowed significantly

Selling pressure concentrated in short-term holder cohort

# Conclusion & Recovery Outlook

## Recovery Prerequisites

Stabilization of global risk sentiment  
Renewed institutional capital inflows  
Macroeconomic policy clarity from Fed  
Absorption of current supply overhang

The downturn reflects market maturation—not structural failure.

# Sources & References

## Primary Sources

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