



## Bitcoin Won't Buckle From Mt. Gox and Germany Sales, Analysts Say



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Market participants are bracing for the imminent sale of [Bitcoin](#) from Mt. Gox creditors amid the German government's ongoing transfers to market makers and exchanges.

Yet analysts and experts *Decrypt* spoke with said concerns are overblown as the market will likely continue to hold up in the face of increased selling from those entities.

“It isn't wise to underestimate the Bitcoin market's capacity to absorb significant selling pressure, such as that from Mt. Gox and Germany,” Jeff Yew, CEO of crypto asset manager Monochrome, told *Decrypt*.

Yew likened the scenario to the "BearWhale" incident on October 6, 2014. During that event, an anonymous trader placed a substantial sell order of

30,000 BTC at an average price of \$300 on the Bitstamp exchange.

Many expected the "sell wall" to drive Bitcoin's price down.

However, to the surprise of analysts at the time, the market swiftly absorbed the sell order, leading to the stabilization and eventual recovery of Bitcoin's price, Yew said.

Yew's comments follow this week's Bitcoin liquidation efforts from the German government, which transferred [\\$900 million](#) worth of the asset on Monday. That was met by a further \$362 million worth of Bitcoin being transferred to Kraken and crypto trading desks on Tuesday.

That has [continued into Thursday](#), with Germany now moving more than \$2 billion to exchanges and market makers over the last week alone. ***It's worth noting Germany's transfers do not constitute ongoing selling of its seized Bitcoin.*** but it does highlight its intention to liquidate them.

Ryan McMillin, chief investment officer at crypto fund manager Merkle Tree Capital, told *Decrypt* that Germany's holdings no longer amount to enough selling pressure to spook the market.

With some [\\$438 million](#) scooped up by U.S. Bitcoin exchange-traded funds (ETFs) in recent days, McMillin said the worst of Germany's disruption appears to be fading.

"The German government selling has passed peak fear, uncertainty, and doubt. with 60% of their holdings sold over the last week or so," he said.

Towards the end of last month, Germany held \$2.8 billion worth of Bitcoin in its wallets. That has since fallen to less than [\\$1 billion](#), according to on-chain [data](#) from Arkham Intelligence.

## **Mt. Gox!!!**

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Mt.Gox is a little bit more complex, with around \$9 billion worth of Bitcoin from the defunct exchange moving from liquidator to creditors, McMillin said The first third of that is already on the move and will likely be returned to creditors over the next 60 days, he said.

There are approximately 127,000 creditors involved in the Mt. Gox rehabilitation process. Those creditors have been awaiting compensation for a decade following the collapse of the former Japanese exchange in 2014 due to a hack that resulted in the loss of 850,000 BTC.

**“We anticipate the other two-thirds will happen in tranches throughout the second half of this year, so we are looking at potential sell pressure of around \$1.5 billion per month,”** he said.

However, it is **“highly unlikely”** that creditors will sell into the market all at once.

### Having been exposed to Bitcoin

since at least 2014 Mt. Gox creditors, have watched Bitcoin increase in value even through various adversities, likely increasing their conviction in its value today compared to 10 years ago. McMillin said.

They also need to contend with capital gains tax implications, including long-term versus short-term gains and the significant increase in Bitcoin's value since 2014.

Strategic planning to minimize financial impact by selling gradually, and navigating complex financial laws and regulations to ensure compliance, will also need to be considered, analysts said.

“The worst-case scenario is maybe 50% selling from Mt. Gox creditors, or around \$200 million a week,” McMillin added, “which is not much when ETFs are net buyers, and we’ll finally have this major fear, uncertainty, and doubt catalyst behind us.”

Pav Hundal, lead market analyst at crypto exchange Swyftx, agreed, telling *Decrypt* that Mt. Gox and Germany are unlikely to move the needle by much. “The forces pushing Bitcoin right now are mostly macro,” Hundal said. “Any danger of Bitcoin cratering below \$50,000 from sell-side pressure looks less and less plausible with every passing day.”

Even if the German government “**fat-fingered**” its transfers and accidentally dumped ***all its remaining [Bitcoin](#) on the market, it would only account for a small fraction of recent daily trading volumes, he added.***

[Source link](#)

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