

Crypto 'fear and greed' gauge improves a bit after 60% selloff

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If trader sentiment is any guide, cryptocurrencies could snap back or at least stop selling off after one of their worst quarters in history.

The crypto Fear and Greed Index climbed to 19, marking the highest point in two months, according to Arcane Research. The measure is pushing toward the "fear" area after sitting comfortably in the "extreme fear" level, the firm's analysts said in a note.

"The sentiment in the crypto market has been depressed for several months, but we're seeing a slight improvement this week," they wrote.

Bitcoin briefly broke above the \$20,000 level Tuesday before coming back down. The world's largest digital token plummeted by almost 60% in the [second quarter](#) as hawkish central banks and a string of high-profile crypto blowups hammered sentiment.

In traditional markets, the Fear and Greed Index measures investor sentiment based on factors including volatility momentum and demand. The crypto version, developed by alternative.me, seeks to establish if traders are too bullish (represented by "greed") or bearish ("fear"), and takes several other factors like social media trends and Google search terms into consideration. The index ranges from 0 ("extreme [fear](#)") to 100 ("extreme greed").

Furthermore, the seven-day volatility in Bitcoin hit the lowest level since early April while the 30-day volatility has remained elevated, Arcane Research noted.

Still, the analysts said they wouldn't be surprised to see a somewhat "uneventful July after a hefty quarter in the crypto market and the summer kicking in."

For Sylvia Jablonski, [chief executive officer](#) at Defiance ETFs, sentiment isn't necessarily better for markets, with the Federal Reserve determined to boost rates on top of a growing list of crypto firms, lenders and [hedge funds](#) maimed by the downturn.

"Most investors feel pretty uncertain about investing in both [crypto](#) and markets right now," Jablonski said by phone. "It's probably going to be a while before we start to see some recovery."

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