

Recovering Crypto Market Takes Hit as Silvergate Bank Future Questioned

The collapse of Sam Bankman-Fried's FTX is still a fresh wound in the cryptocurrency market. There have been recent signs of a possible recovery, but the market was hit with a new setback when trading began early Friday in Hong Kong as major crypto exchanges – including Coinbase, Crypto.com, and Gemini – announced they would pause business with California-based Silvergate Bank.

Silvergate announced in a Wednesday SEC filing that its annual report would be delayed because it “is currently analyzing certain regulatory and other inquiries and investigations that are pending” regarding the company. As CoinDesk noted, Silvergate implied regulatory scrutiny to come in another section of the filing, referencing “investigations from our banking regulators, congressional inquiries and investigations from the U.S. Department of Justice.”

Thursday brought reactions to Silvergate's filing from Coinbase, Circle, Paxos, Crypto.com, Bitstamp, Cboe Digital Markets, Galaxy Digital and Gemini – the exchanges stated they were suspending business with the bank, including (ACH) transfers. So when Friday business began in East Asia, Bitcoin plummeted, though not as badly as Silvergate stock, which lost over half its value in Thursday trading in U.S. markets. The cryptocurrency declines also hit all the major cryptos aside from BTC and ETH.

Nick Ruck of Web3 studio ContentFI told CoinDesk that “Institutions are a bit jumpy” over Silvergate possibly having

“issues.”

As CoinDesk noted, the selloff was extreme enough to cause intermittent outages on Coinbase’s website.

Bitcoin was trading at approximately \$22,400 early Friday in the U.S., down from a 24-hour high of \$23,553, and Ethereum was trading at \$1,570 after hitting a 24-hour high of \$1,657.

<https://www.entrepreneur.com/business-news/crypto-market-takes-hit-as-silvergate-bank-future-questioned/446850>