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## \$2 Billion in Ethereum Seized by China Is Moving, Will This Crash the Cryptocurrency Market?

Original:

<https://www.btcc.com/en-US/academy/research-analysis/2-billion-in-ethereum-seized-by-china-is-moving-will-this-crash-the-cryptocurrency-market-3>

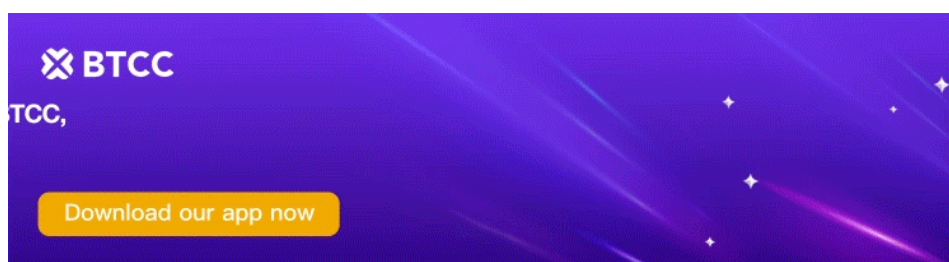


The Ethereum wallet related to the notorious Plus Token Ponzi scheme suddenly became active yesterday evening (8/7), transferring a staggering 820,000 ETH, worth more than \$2 billion, in just 24 hours. The funds were initially seized by Chinese authorities and have since been dormant for more than three years, while the sudden activation of the wallet sparked fears of a possible collapse of the [cryptocurrency](#) market.

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## Dormant Ethereum wallet reactivated, transferring \$2 billion in ETH

According to data from blockchain analysis company Lookonchain, on the evening of August 7, hundreds of wallets that had been dormant for 3.3 years were suspected to be transferring large amounts of \$ETH. These wallets had transferred approximately 789,533 ETH, equivalent to more than 2 billion US dollars. . Recent on-chain tracing found that the funds came from a wallet associated with the notorious Plus Token Ponzi scheme, specifically labeled Plus Token Ponzi 2. Plus Token Ponzi 2 had 789,533 \$ETH spread across thousands of wallets in 2020 and has not moved since April 2021. The move sparked speculation that [Ethereum](#) reserves held by Chinese authorities may have been tampered with.



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## Is the Chinese government going to sell off Ethereum?

In November 2020, the Chinese government seized approximately \$4.2 billion in various crypto assets related to the Plus Token scam and other sources, including 194,775 Bitcoin, 833,083 Ethereum, 497 million XRP, a staggering 6 billion Dogecoin, as well as other cryptocurrencies such as [Bitcoin](#) Cash, Litecoin, and Tether. While the seized tokens were worth approximately \$4.2 billion at the time, their value has now surged to approximately \$13.5 billion due to rising asset prices. If the Chinese government does sell these cryptocurrencies, the impact will be huge.

## Unconfirmed reports: No official statement

However, there is no confirmation that the Chinese government has taken any official action. Nonetheless, the reactivation of these wallets and speculation that Chinese authorities may sell these assets could trigger market panic, which could lead to significant market volatility.



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## **Is Ethereum's market turmoil a cause for concern?**

Ethereum continues to face market challenges, with Coinpedia News recently reporting that Jump Trading had withdrawn 11,500 ETH, equivalent to \$29 million, from Lido Finance. Amid this turmoil, Ethereum's price has remained resilient, currently trading at \$2,480 and maintaining a market cap of \$298 billion. Despite market tensions, the cryptocurrency has maintained its value, demonstrating Ethereum's stability in the face of adversity.