

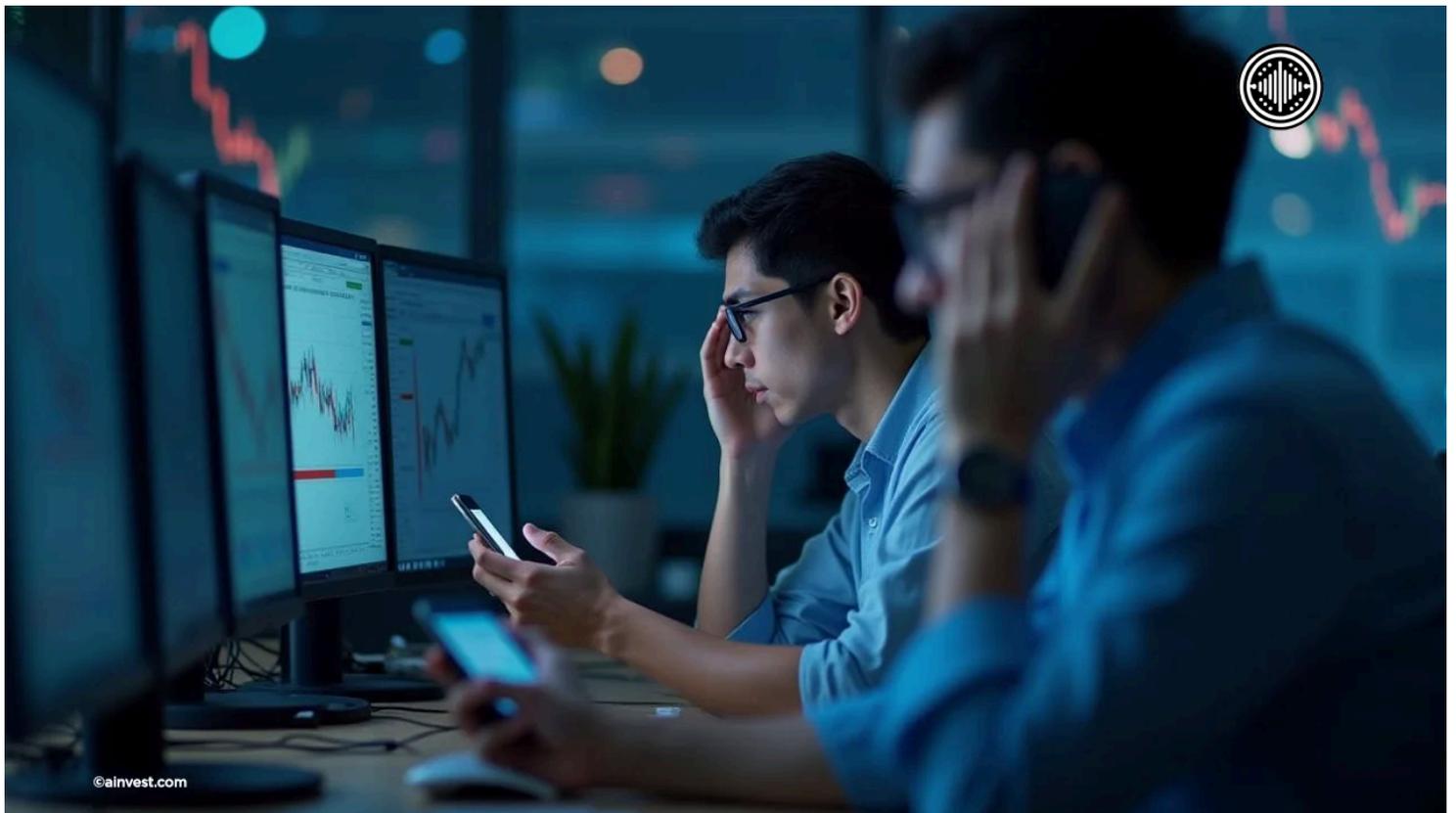
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Smart Money Traders Face \$12.48 Million in Losses as Altcoin Shorts Backfire

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Prominent crypto traders, which are often categorized as “smart money” due to their large positions and market influence, are facing approximately \$12.48 million in unrealized losses after shorting a range of altcoins amid the ongoing crypto rally.

According to data from Foresight News, these losses have accumulated as altcoin prices continue to surge, defying bearish expectations. The affected traders had placed significant

bets on a market correction, taking short positions that would profit if token prices declined. Instead, the altcoin segment has gained strong upward momentum, pushing many of these trades deep into negative territory.

The report suggests that the impacted positions are held across various mid-cap and low-liquidity altcoins, which are experiencing sharp price increases. This mismatch between market direction and trader expectation has put pressure on leveraged short strategies, increasing the risk of forced liquidations.

Market analysts note that short squeezes may soon follow if prices continue to rise. A short squeeze occurs when short sellers are forced to close their positions by buying back assets at higher prices, which can further drive the market upward in a feedback loop.

Unrealized losses represent the current paper losses on active positions that haven't yet been closed. If the market reverses, these losses could shrink or be recovered. However, persistent bullish sentiment and strong demand for altcoins suggest continued risk for bearish traders.

“This level of loss among smart money traders indicates just how powerful the current altcoin rally has been,” a market analyst commented. “It also shows that even seasoned players can misjudge market timing, especially in volatile environments.”

The altcoin market has seen renewed interest over the past several weeks, fueled by increased trading volumes, ecosystem developments, and broader investor optimism around digital assets. While Bitcoin and Ethereum continue to lead the market, many smaller tokens have delivered double-digit gains, amplifying the pressure on those who bet against them.

The \$12.48 million in unrealized losses could grow further if current price trends continue and short sellers fail to exit or hedge their positions.