

# OpenVoiceNews India

Transparent. Unbiased. Yours.

## Whale Bitcoin Bet Could Trigger \$5.6B Short Squeeze

August 4, 2025

– Categories: *Crypto*



Download IPFS

A large leveraged Bitcoin position could trigger a wave of short liquidations worth an estimated \$5.6 billion if the cryptocurrency's price reaches \$125,000, according to Coinglass derivatives data. The position, valued at \$45 million with 40x leverage, has a liquidation point at \$105,000.

As of now, Bitcoin is trading slightly above \$114,000, keeping that liquidation level within close range. Short positions are heavily clustered near \$121,000, meaning a price break above that point could set off rapid liquidation cascades.

Glassnode's Net Unrealized Profit/Loss (NUPL) ratio for long-term holders remains above 0.5, suggesting they are still holding significant unrealized gains and showing no panic selling. In contrast, short-term holders are near breakeven and are contributing to selling pressure during minor rallies, according to CryptoQuant data.

On August 1, Binance's cumulative net taker volume dropped sharply to -\$1.5 billion, the lowest since July 25. This metric tracks the balance between aggressive buying and selling; a deeply negative reading signals heavy selling dominance. The decline coincided with a liquidation cluster around \$114,000, where traders who entered on a rebound were caught in a swift reversal.

These zones, often referred to as "cold zones" in trading, emerge when the market is heavily weighted toward one side, in this case, shorts. Analysts note that falling funding rates and growing short exposure have created ripe conditions for an upside squeeze.

Retail traders are showing behavior similar to previous Bitcoin cycles, buying at local highs and selling at lows. Following a bout of long liquidations last week, panic-selling quickly flipped to aggressive short building, raising the possibility of a reversal if prices move up sharply.

Despite volatility, demand-side metrics remain resilient. On-chain data shows that over the past 30 days, about 160,000 BTC have been absorbed when measuring net issuance against coins untouched for more than a year.

"Accumulator addresses" wallets that only buy and never sell have added roughly 50,000 BTC in the same period, a sign of high conviction. Analysts view these wallets as a reliable bullish indicator given their consistent accumulation during recent price swings.

If Bitcoin advances toward \$121,000, short liquidations could intensify upward momentum toward \$125,000, with forced covers and opportunistic buying fueling the move. Conversely, a decline toward \$105,000, the whale position's liquidation point, could spark significant downside volatility.

Market watchers are monitoring whether whale accumulation and strong on-chain demand will counteract short-term selling pressure from leveraged traders, with the outcome likely shaping Bitcoin's trajectory in the coming weeks.