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JoseMar - July 19, 2025, 1:06 pm

ETH Closing in on \$4K:

Short Squeeze, Sentiment Shift, or Something Bigger?

The Setup: Shorts Getting Crushed

So here's the situation.

Ether's been quietly climbing through July. At first it looked like just another altcoin tailing behind Bitcoin, but the numbers started shifting fast.

We're talking about a 20% gain in a week, \$150 billion added to market cap since the start of the month, and... a whole lot of people on the wrong side of the trade.

The Kobeissi Letter, a trading resource that's gained some traction lately, says we're witnessing one of the biggest short squeezes in crypto history.

That's a bold statement. But the data kind of backs it.

And if ETH rises just another 10%? Another \$1 billion in shorts gets liquidated. Which is a brutal sentence to read if you're holding leverage and praying for a dip.

4K Is Close... Maybe Too Close?

The target now feels obvious: \$4,000.

Psychologically strong number. Almost mythic after how long ETH has hovered in the 2K–3K range. Feels like a place where people will either celebrate... or sell everything.

But here's the thing. Price targets rarely hit exactly the way people expect. Especially when everyone is staring at the same number.

You get anticipation, then overconfidence, then sometimes a sudden flush to shake out the noise.

Still, the setup is there. The squeeze is real. And unless we get a sharp reversal, ETH might not even need that much fuel to break through.

Why This Squeeze Hits Different

We've seen squeezes before, but this one's got a weird weight to it.

Because for weeks, maybe months, ETH was underperforming. People were openly dismissive. It didn't have the meme energy. It wasn't the AI narrative. It wasn't even the Solana darling anymore.

But that lull did something interesting: it built up short exposure. Quietly. Like dry powder waiting for a spark.

Then, just as BTC cooled off near \$120K, Ether started moving. Not with fanfare. Just... confidently. And now, that initial push is feeding on itself. Leverage flipping leverage.

If you've traded a while, you've seen this play out before. And you also know how fast it can unwind, but for now, it still looks like momentum is on ETH's side.

Bitcoin Steps Aside (Temporarily)

Meanwhile, Bitcoin dominance is falling.

It just hit 61.4%, the lowest level since March. That might not sound dramatic, but in crypto, these subtle shifts can mark entire seasons.

When dominance dips, altcoins breathe. Not forever, not always gracefully, but for a little while, money flows into other lanes.

ETH, XRP, and a few others are catching the most of it right now. But we all know how fast that mood changes. One rug, one black swan, one regulation headline, and it's flight to safety again.

That's the thing. This market has a memory, but also a short attention span.

So ETH could hit \$4K and spark a new narrative... or it could stall out and remind everyone why they were cautious in the first place.

What I'm Watching Now

I think a few things matter more than just the price tag: How ETH behaves at \$3,900–\$4,050. That range is loaded with expectations. It'll either be support or slaughter.

Liquidation heatmaps, they're noisy, sure, but can give you an early sense of where things get messy.

BTC dominance + macro sentiment. If BTC starts climbing again aggressively, the ETH party might be short-lived.

Volume. If we push into new highs with weak volume, I get cautious. That's exit liquidity, not conviction.

And on a human level? I'm curious how traders feel about this.

Because sometimes you can tell a top or a continuation not by the candles... but by the tone of the

tweets. When everyone's certain, you usually want to lean the other way. Right now, people are excited, but there's still hesitation. That's usually where the real moves happen.

New entry for [7](#)contest?

? Big shoutout to [6](#) for making this even more exciting?

Hey guys, check this out.?

[DemonAsylum](#) [Braco22](#) [SUI-3183372](#) [SIM-1169085](#) [Walter HerrWinston](#) [Dystortion](#)

This might be one of those windows.

The kind where ETH shows strength, shorters get wrecked, and the market finally shifts into something new.

Or maybe it's just a well-timed squeeze in a tired market that hasn't picked a direction yet.

Either way, it's worth paying attention to. Not just for the gains, but for the signal. For what it says about sentiment, timing, and the way this ecosystem still reacts to surprise momentum.

Because let's be real, \$4K ETH isn't that far away.

But staying there? That's the part no one's sure about yet.