# Ethereum rally triggers $750m short squeeze as crypto market surges



## Crypto Market Experiences Expansive Rally as Ethereum Hits $2,000

The cryptocurrency market has recently witnessed a substantial rally, headlined by Ethereum's (ETH) impressive 20% surge, which propelled its price past the $2,000 mark for the first time since early March. This surge triggered an extraordinary wave of short liquidations, with over $750 million wiped out in the past 24 hours alone—marking the most significant single-day total since 2023 for bearish positions in the market.

This surge wasn’t limited to Ethereum; other prominent altcoins joined the upward trend. Dogecoin (DOGE) and Cardano (ADA) both rose by more than 10%, benefiting from the prevailing bullish sentiment. This collective movement in the altcoin ecosystem reflects a recent shift in trader psychology, where renewed optimism begins to overshadow previous caution. According to data from CoinGlass, a staggering 84% of the total liquidations were from short positions, suggesting that many traders underestimated the resilience of the market.

Large-scale liquidations are often indicative of extreme market conditions, potentially signalling a turning point. When traders are forced to close their positions, it can create a cascading effect, leading to heightened volatility that may bring about either further price increases or corrections. In this case, the massive short squeeze on ETH has drawn comparisons to previous tumultuous market conditions, such as in March when Bitcoin experienced an equally dramatic resurgence, erasing over $550 million in short positions in a single weekend.

The recent rally appears to have been further buoyed by external factors, notably a newly announced trade deal between the United States and the United Kingdom. This development has instilled a sense of broader economic stability, which traders often translate into optimism for risk assets, including cryptocurrencies. As Bitcoin surged above the $100,000 mark, investor sentiment in the crypto market rallied alongside it, creating an atmosphere conducive to growth.

Market data highlights that the majority of liquidations occurred across major exchanges, with Binance and OKX accounting for more than $500 million in losses. Among these, ETH represented over $310 million in liquidations on its own. The quick movement of market prices reveals a shift in trader focus, potentially driven by renewed interest in Ethereum following its recent Pectra upgrade, which some analysts suggest has recalibrated trader perceptions around the asset's future potential.

As Ethereum had been relatively rangebound in recent weeks, with diminishing institutional interest and retail sentiment, this spike in value marks a crucial reassessment of its trajectory. The influx of capital and resulting price fluctuations manifest as a fervent exchange between bears and bulls, underscoring the inherently unpredictable nature of the cryptocurrency market.

With the waves of liquidations and soaring prices continuing to dominate headlines, traders are advised to stay vigilant. A market oscillating between extremes can often lead to both opportunities and risks, as sentiment evolves in response to fast-changing conditions. The recent performance encapsulates the dual-edged nature of speculative trading within cryptocurrency, as fortunes can shift dramatically within a matter of hours.

## Reference Map:

* Paragraph 1 – [[1]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023), [[2]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023), [[5]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023)
* Paragraph 2 – [[1]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023), [[3]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023), [[4]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023)
* Paragraph 3 – [[1]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023), [[7]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023)
* Paragraph 4 – [[1]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023), [[6]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023)
* Paragraph 5 – [[1]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023), [[5]](https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023)

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## Bibliography

1. <https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023> - Please view link - unable to able to access data
2. <https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023> - A recent surge in Ethereum (ETH) led to a 20% price increase, surpassing $2,000 for the first time since early March. This rally triggered over $750 million in short liquidations, marking the highest single-day total since 2023. Major altcoins like Dogecoin (DOGE) and Cardano's ADA also saw significant gains, with DOGE rising more than 10% and ADA increasing over 10%. The bullish sentiment was further bolstered by a trade deal between the U.S. and the UK, contributing to the market's upward momentum.
3. <https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023> - The cryptocurrency market experienced a significant rally, with Ethereum (ETH) leading the charge with a 20% surge, pushing its price past $2,000 for the first time since early March. This upward movement resulted in over $750 million in short liquidations, the highest single-day total since 2023. Other major altcoins, including Dogecoin (DOGE) and Cardano's ADA, also saw substantial gains, with DOGE and ADA both rising more than 10%. The rally was fueled by bullish sentiment and a trade deal between the U.S. and the UK.
4. <https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023> - In the past 24 hours, the cryptocurrency market witnessed a broad rally led by Ethereum's (ETH) 20% surge, triggering over $750 million in short liquidations—the highest single-day total since 2023. Major altcoins like Dogecoin (DOGE) and Cardano's ADA also experienced significant gains, with DOGE and ADA both rising more than 10%. The market's bullish sentiment was further supported by a trade deal between the U.S. and the UK, contributing to the overall upward momentum.
5. <https://www.coindesk.com/markets/2025/05/09/explosive-eth-ada-doge-moves-spur-800m-in-short-liquidations-highest-since-2023> - A significant rally in the cryptocurrency market was led by Ethereum's (ETH) 20% surge, pushing its price past $2,000 for the first time since early March. This movement resulted in over $750 million in short liquidations, marking the highest single-day total since 2023. Other major altcoins, including Dogecoin (DOGE) and Cardano's ADA, also saw substantial gains, with DOGE and ADA both rising more than 10%. The bullish sentiment was further bolstered by a trade deal between the U.S. and the UK.
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