

# The “1011” Crypto Crash and the Mystery of the \$1 Billion Whale



A publication by US President Donald Trump on social media led to the largest 24-hour wipeout in crypto history. The most curious part about the event was the discovery that someone realised a nine-figure profit by shorting the crypto market right before the news.

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## Introduction

On the night of October 10, 2025, at precisely 20:50 UTC, President Donald Trump posted on Truth Social that his administration would impose a 100 percent tariff on all Chinese imports. Within minutes, prices across the digital-asset space collapsed in unison. By the time the dust settled the next day, \$19.1 billion worth of leveraged positions had been liquidated, the largest wipeout in crypto history.

## A trade too perfect

The story begins on October 9 at 16:39 UTC, when a crypto wallet transferred about \$80 million into a Hyperliquid trading account. According to blockchain analytics platform Arkham (via X), this account then opened a large Bitcoin short position worth roughly \$420 million. Over the next several hours, the position expanded to 3,600 BTC.

In the early morning of October 10, the same wallet sent \$30 million more to another Hyperliquid address, which promptly opened short positions on Ether. By 15:30 UTC, the whale was short 6,200 BTC worth \$735M and 91,000 ETH worth 380 million, already showing an unrealised profit north of \$27 million according to Lookonchain on X.

Then came the final push. Just an hour before Trump's tariff announcement, at 20:50, the whale reportedly increased its exposure once again, and, according to investigator Coffeezilla @coffeebreak\_YT on X, even added 200 BTC to its short one minute before the announcement went live.

|               |       |                               |      |       |          |     |           |                  |
|---------------|-------|-------------------------------|------|-------|----------|-----|-----------|------------------|
| 0x6469c2c2... | order | Fri, 10 Oct 2025 21:20:18 GMT | Sell | limit | 1,120.78 | BTC | 104,600\$ | 117,233,195.75\$ |
| 0x653365e1... | order | Fri, 10 Oct 2025 21:20:00 GMT | Sell | limit | 90.72    | BTC | 106,600\$ | 9,670,371.44\$   |
| 0x19161d37... | order | Fri, 10 Oct 2025 21:19:52 GMT | Sell | limit | 1,221.41 | BTC | 106,300\$ | 129,835,532.21\$ |
| 0x7064e311... | order | Fri, 10 Oct 2025 21:19:48 GMT | Sell | limit | 931.51   | BTC | 106,300\$ | 101,145,967.96\$ |
| 0xe0d9fa19... | order | Fri, 10 Oct 2025 20:49:23 GMT | Sell | limit | -100     | BTC | 116,800\$ | 11,680,000\$     |
| 0x5162ade3... | order | Fri, 10 Oct 2025 20:49:13 GMT | Sell | limit | -100     | BTC | 116,800\$ | 11,680,000\$     |

Source: Coffeezilla on X showing the whale's transaction just before the crash

At 20:50, Trump posted on Truth Social, he published the news of a 100% tariff on China, which he argued took an "extraordinarily aggressive position on trade in sending an extremely hostile letter to the world".

When the news hit, markets plunged. Within an hour, the whale had closed almost all its Ether shorts and 90% of its Bitcoin shorts, wiring most of the proceeds, a little over 250 USDC million, back to the original funding wallet. The remaining 10 million USDC from the 150 million realised profit was left on the wallet short on Bitcoin as margin for the remaining position.



Source: The Kobeissi Letter @Kobeissiletter on X

It was a perfectly timed move, almost too perfect, some might say.

But what began as another episode of political volatility soon morphed into something else entirely. Buried in the data of Hyperliquid, a fully on-chain derivatives exchange where every trade is visible, investigators uncovered a position so perfectly timed it seemed impossible to be mere luck: a \$1.1 billion levered short bet spread across Bitcoin and Ether perpetual contracts, opened 30 hours before Trump's post and closed almost immediately afterward for more than \$150 million in profit.

## Enter the detectives of X

It didn't take long for the internet's on-chain detectives to take notice. Among them was the pseudonymous researcher Eye (@eyeonchains on X), who began posting a trail of wallet addresses that appeared to be linked to the whale.

On October 11, Eye reported that one of the addresses involved in the short trades transferred \$40,000 USDT in September to Garrett Jin, the former CEO of BitForex, a crypto exchange that collapsed in 2024 amid fraud investigations and a rumoured \$57 million exit scam.

That small transfer was enough to set off a wave of speculation. Within hours, screenshots and theories circulated on X. Arkham Intelligence tagged the wallet's owner as a "Trump insider whale." Binance's former CEO, Changpeng Zhao, even reposted some of the posts, asking for someone to "cross-check."

Caught in the storm, Garrett Jin denied his involvement in the trade, yet he admitted his link to the whale. He explained that the funds on Hyperliquid were not his, but belonged to a client for whom they "run nodes and provide in-house insights". He claimed he had no connection whatsoever to Trump or his family, nor any access to privileged information.

It is worth noting that on October 12, the whale deposited 40 million additional USDC on their Hyperliquid address and re-increased their short position on BTC.

"The client holds a large amount of spot assets," Jin wrote on X. "The short position is just a partial hedge. If the liquidity was enough, a bigger position would be placed." He later added, "The client may be wrong, but they have strong expertise in managing risk." In other words, Jin was only a researcher executing or advising on trades for someone else. The client, he implied, made the real decisions.

To defend himself further, Jin published a short market analysis explaining why shorting made sense from a macroeconomic perspective, rising tariffs, weakening sentiment, correlation with US tech stocks, and an overleverage in crypto markets. According to him, it was a risk-management trade, not a speculative position based on leaked information.

But in the court of public opinion, denial only fuels speculation. Eye continued to dig, claiming, in reference to the large amount of Bitcoin held in the whale's other wallets, that "these are certainly BTC from multiple entities, but whoever moves them is the same person." In other words, Jin might not own the funds but could still be the one controlling their movements, as an operator acting on behalf of powerful clients.

Other blockchain watchers, like Emmett Gallic, also weighed in. "For the record, I do not think the whale is Garrett," he posted. "The connection is only a \$40k transfer, which this whale usually moves with larger size. Still looking for further evidence on who it is."

Even ZachXBT, one of the most respected blockchain investigators, cast doubt on the idea that Jin himself was the whale, suggesting it was "more likely a friend of Jin."

Despite that, the timeline was suspicious enough to keep the story alive, and to open a new line of questioning.

## The theories multiply

If Jin wasn't the one making the call, who was?

According to the version Jin offers, the client was the actual whale, the one who seemingly decided to short the market before Trump's tariff announcement. That could mean the insider "tell," if any, went to this unnamed client, not to Jin himself.

That distinction is important. Because while insider trading in traditional markets is a legal matter, in crypto, especially across decentralised and offshore platforms, proving such a thing is almost impossible.

Still, Eye's investigation didn't stop there. The pseudonymous sleuth began hinting at broader possibilities. One theory claimed the leak came from a Chinese foreign-policy body, potentially passing the tip to Jin or his client given his Chinese background and connections in Asian crypto circles. The claim was further implied by Emmett Gallic on X that explained "Garrett has said on TikTok and x that he has had talks/connection with larger Chinese whales."

Another, far more explosive theory given by Eye and apparently based on information coming from "various sources" whose identity he decided to keep anonymous, was the existence of a US insider trading ring, a tight group of politically connected traders who routinely front-run White House announcements. In this telling, aides with access to presidential communications allegedly pass market-moving information to select traders. These traders then open short-term, high-leverage positions moments before policy news breaks.

In Eye's speculative narrative, Jin or his client might not have received the tip directly; instead, they could have simply mirrored the trades of wallets tied to this supposed insider ring. Eye went as far as naming Zach Witkoff and Chase Herro as coordinators and even referenced Trump's sons as "occasional participants."

But the trail stopped there. Eye later wrote that he had gone "too deep in the rabbit hole" and would stop posting "for safety reasons."

None of these claims have been verified, and no evidence has surfaced to support them. While they remain purely speculative, in the absence of answers, theories thrive.

Adding another layer to the intrigue, Emmett Gallic posted that on-chain data shows Jin himself is among the largest holders of a Polymarket bet titled "Will Trump pardon CZ in 2025?", a prediction market speculating on whether the former Binance CEO will receive a presidential pardon. The investor's position is his only bet on the platform. Since he opened his position weeks ago, the contract's price has jumped 52 percent amid reports that the Trump administration is indeed "leaning toward a pardon."

It was hard to miss the irony that a man accused of profiting from Trump-linked insider trades was also betting that Trump would pardon a crypto figure. Furthermore, Garrett Jin removed the mention to the institutional platform for non-custodial ETH stacking he funded himself, XHash, from his profiles on X and Telegram following the allegations.

## But what is Hyperliquid?

Hyperliquid is a Decentralised Exchange (DEX) that has gained in relevance very quickly. Launched in 2023, the exchange is now among the largest DEXs in terms of trading volume and is even competing with Centralized Exchanges (CEXs) with its large perpetuals market share. But how did it get so large so quick and what makes it different from other DEXs?

Hyperliquid started with a simple mission: combining the speed and user experience of top centralised exchanges (CEXs) with the transparency and self-custody of decentralised finance. It specialised in perpetual futures trading, allowing users to speculate on crypto prices without holding the underlying assets, while every action they take is immutably recorded on its own custom Layer-1 blockchain.

This transparency is what made the story possible in the first place. On centralised exchanges like Binance or Coinbase, a billion-dollar trade would go unnoticed until after execution. This has fuelled speculation that the same trader may have established additional short positions on centralised platforms, including Binance. On Hyperliquid, everything is public. Anyone can trace a wallet's deposits, see the size and timing of its positions, and even follow the exact moment it closes a trade.

Technically, Hyperliquid uses a high-performance consensus model and an in-house matching engine capable of handling institutional-level order flow. Its native token, HYPE, is used for governance and staking. The platform has quickly grown into one of the largest DeFi derivatives venues, routinely handling billions in daily volume and attracting both professional traders and on-chain analysts who value transparency.

Hyperliquid didn't just host the October 10 trades that shook the market; its on-chain design made it possible for the world to see them, line by line, wallet by wallet, and to wonder who was behind them.

## Conclusion

Someone realised a nine-figure profit by shorting the crypto market right before the largest 24-hour wipeout in history. It was only because the trade happened on Hyperliquid, a decentralised exchange, that it was visible at all. Transparency remains one of DeFi's core advantages. Whether that someone acted on insider information or pure instinct remains unknown. The blockchain, for all its transparency, doesn't record intent.

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