Bitcoin Halving Major Trends

By winkler · April 18, 2024

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Legend: □ direct source ☑ 3rd-party source □ interpretation

What We'll Discuss

- Welcome back, insiders!
  - In this video you're about to get 10+ videos of knowledge
  - Because I've studied and dissected over 10 BTC price-halving videos.
    - From traditional news outlets to scientists, famous investors, hard-core podcast debates and everything in between.
    - I've spotted 3 biggest recurring trends in all of them.
  - If you want to feel confident you haven't missed anything regarding the BTC halving this video is for you.
  - It took me days of watching, notetaking, and many rabbit holes, so I'm super excited to finally release it.
- Along with the 3 major trends across all videos, I'll also sprinkle in some
  - Very quick basics of BTC halving
  - Quick summaries of each video
  - My opinions along the way, since being in the space since 2015
  - My Action Plan: Before & After Halving
- Also a little bonus:
  - Since nothing beats real hands-on learning.
  - You'll also see my buy one of the top 5 BTC ETF's at the end of this video

Very quick basics of halving

I covered a lot of the halving fundamentals in my recent "Coinbase Explodes Before Halving Video" exploring if coinbase is still a buy...

and it's hard to go on YT right now without learning about the halving..

However, here's a quick BTC halving Micro and Macro overview:

Halving Micro

 Facts (Bitwise PDF)

- Bitcoin's fourth halving is anticipated on: April 20th 2024
- 2x as expensive to mine1 Bitcoin
    - Every ~10 min block reward created * 6 blocks /hour * 24 Hours in day = 144 blocks /day
      144 * 65 Days in Year = 52,560 blocks /year
      210,000 blocks required for halving / 52,650 = = 3.98860399 years
- The difficulty is adjusted every 2016 blocks, or roughly every two weeks

The first reward was 50 bitcoin (investopedia)

Previous halving dates were:

Date	**BTC Reward Per Block**
Inception	50
Nov. 28, 2012	25
July 9, 2016	12.5
May 11, 2020	6.25
April 20th, 2024	3.125

How Much Does It Cost to Mine a Bitcoin? (swanbitcoin)

Whole new video topic..

It Cost to Mine a Bitcoin? $20K With $0.047/Kwh (kilowatt-hour)

Berlin Examples

Using a hairdryer for 10 minutes	0.33 kwh	€0.03
Daily usage of the refrigerator	0.44 kwh	€0.04
Watch 1 hour of TV	0.6 kwh	€0.06

Average price per KWh: €0.622!!! = BERLIN

Average price per KWh: $0.1545 = USA

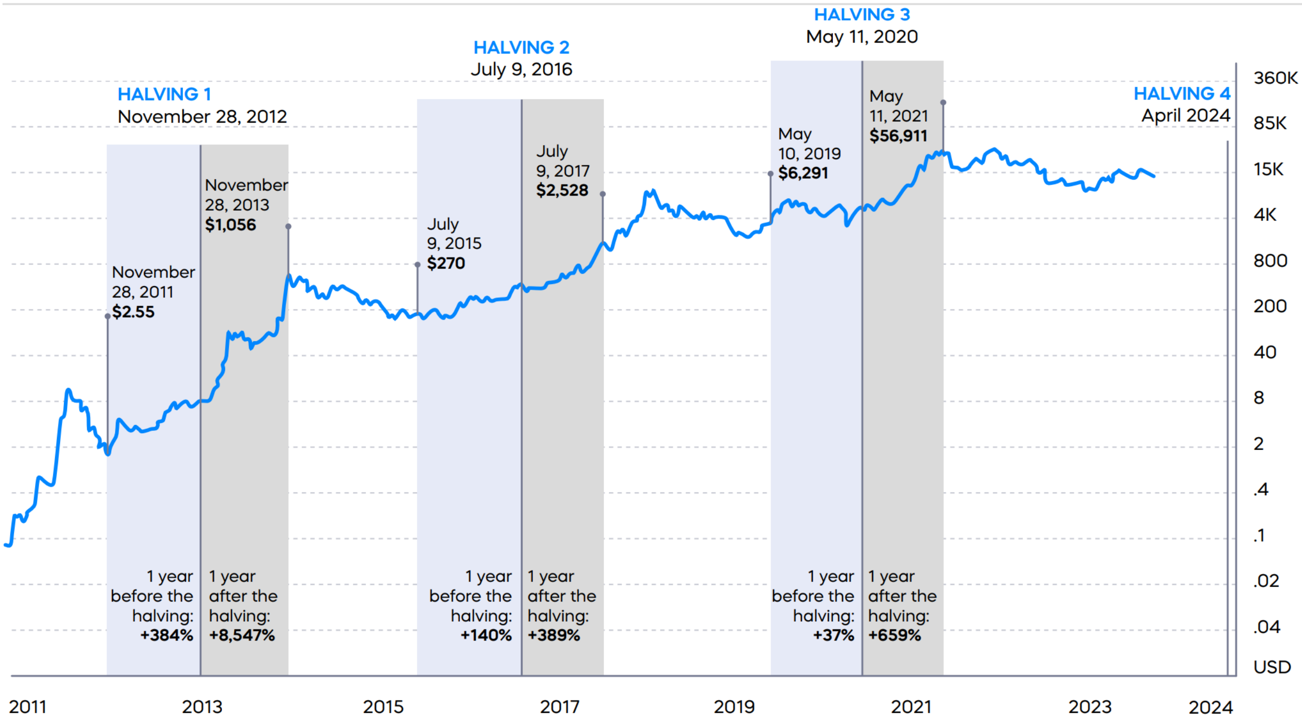
Halving Macro

As of March 2024, about 19.65 million bitcoins were in circulation, leaving just around 1.35 million to be released via mining rewards.

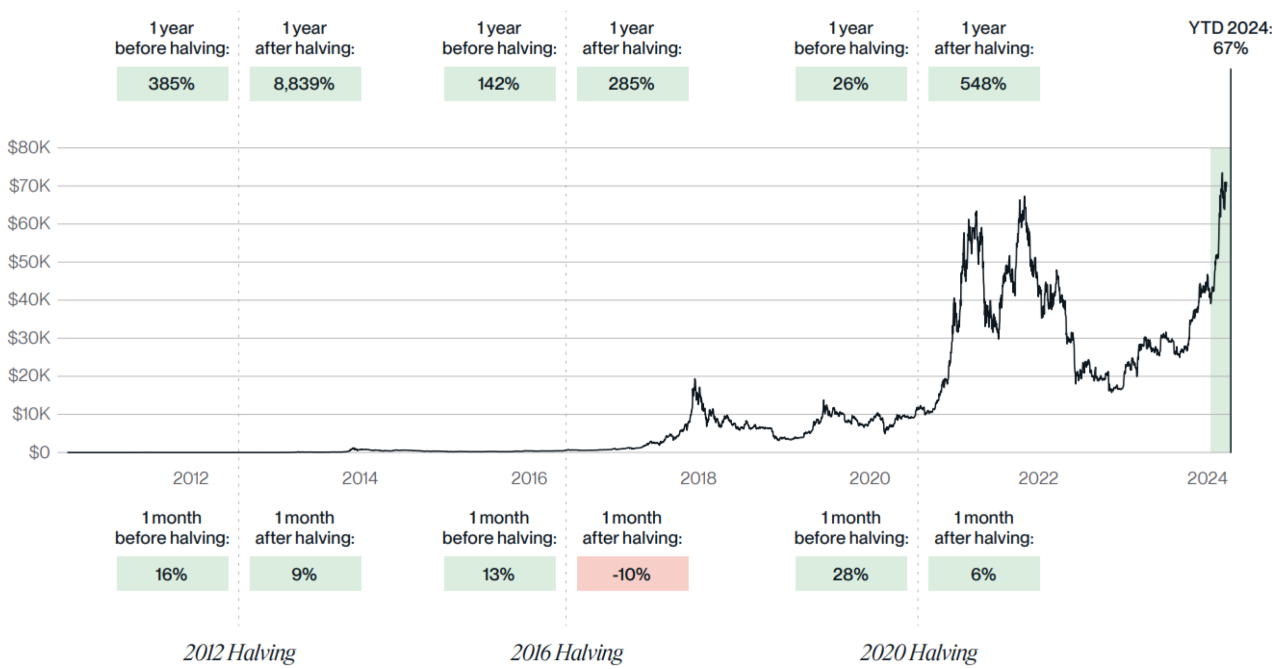
More miners means "difficulty" increases, less miners "difficulty" aka hasing power decreases.

Less miners less secure but lower difficulty means easier to mine so more miners are incentivized to play.

- Actual = Supply down
- But does demand stay constant / go up?
- Price needs to go up to maintain the attractiveness of mining. Generally, if there are fewer miners, the remaining miners could find it more profitable. This is because the rewards from mining (new Bitcoins and transaction fees) are shared among fewer participants. However, if too many miners exit and the network's hashing power decreases significantly, it could affect the network's security and transaction processing speed until the difficulty adjusts.



Bitcoin Price Before and After Halvings



The Trends I've Spotted In 10+ BIG BTC Halving/Price Videos

Obviously, no one really knows but here are the rends I've spotted

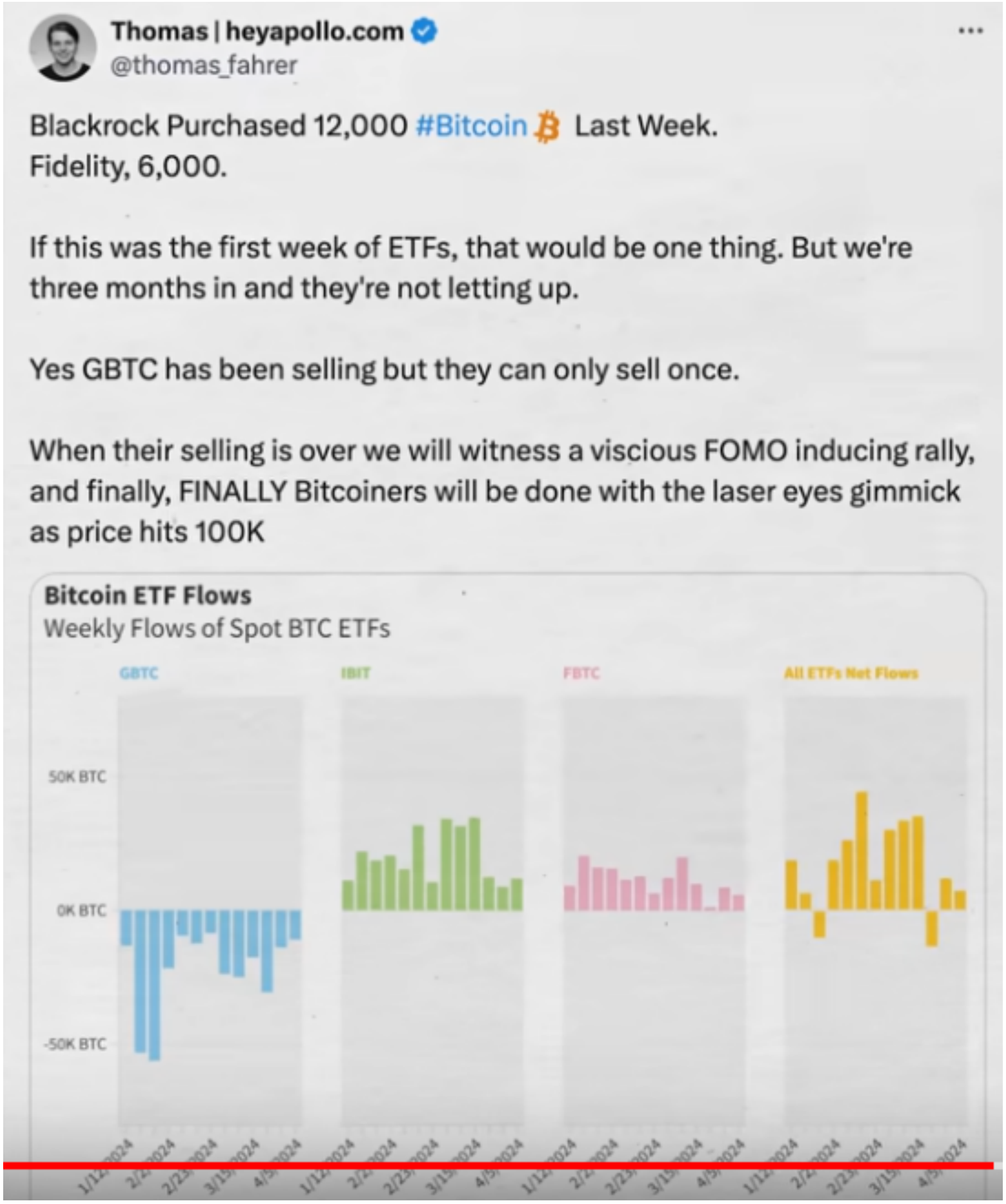
1. Bear with me.. There are lots of heated debates on both sides of the aisle but there's no amazing bear argument I've found besides it's a scam and it's going to $0. Even from the likes of the most famous investors of our time.
    1. The best case is the US won't allow another currency to beat the USD
    2. Also, other governments won't allow it.
        1. However, this argument is freed from vindication with the approval of the ETFs. Something several videos said was the biggest risk
    3.
        1. Criminals like Bitcoin, not true it's too transparent, and criminals like cash.
2. Scarcity was a major topic
    1. More sacrifice than gold... Stock To Flow
    2. ETF's buying.. more than new supply
    3. Actual Supply is much lower
3. Price Goes Up After Halving
    1. Prices see a major rally after halving from 12-18 months
    2. Short-term is a big question mark
    3. Strong constantly proven right formulas showing we should hit $100k+ this cycle and over $1m within 10 years
    4. Lot's of long-term upside potential
4. Bonus:
    1. Typical media sites always have a sarcastic tone and it's all emotions, don't watch them. Focus on following vets in an industry and listening to their cases bull or bear and making up your own decision

I'll let you be the judge, let's go through some of my boiled-down notes from these videos

The 10+ Videos & Notes

Bitcoin Is Halving | What You MUST Know by @AndreiJikh

- Goes over all the fundamentals of the halving
- Explains that BTC more rare than gold measured by stock to flow
  - how many years it would take to recreate the current supply of something
  - total stock of asset / flow (new created assets)
  - Gold: ~244K metric tones total available / ~2,750 mining metric tones daily = 88.73 years
  - BTC: ~19.5M coins available / 164,250 newly mined btc post April 20th 2024 = 118.72 years

- Investors like Black Rock buying up a lot of bitcoins
    - 

- Price after and before halving is a bit random but this is the first time prices are ATH's before halving
    - Always a substantial price increase 12-18 months after halving

2024 Bitcoin Price Prediction (CRAZY!) by @AndreiJikh

- BTC's power law (charts.bitbo.io/long-term-power-law)
    - Trolololo formula

- Close to $200k this cycle, worst case $150k
    - Mid of 2025
- Should reach $1M
    - by July 2033

[Bitcoin Halving 2024: How It's Different This Time, Myths Debunked, Bitcoin Bugs, and More] by [@aantonop]

- Actually happens in Satoshis
    - 1 btc = 100,000,000 satoshis
        - □ only integer satoshis (quicker than float)
    - not a division but a shift to the right in binary number
    - only place where there is factions of a satoshi is the lightening network, where decimals are rounded up
- Speculation Myths
    - Bitcoin death spiral
        - Miners are no longer profitable due to Halving
    - Microeconomics Supply & Demand
        - If demand remains the same and supply is cut in half the price should double
- Speculation Truths
    - Things are different this time
        - Bitcoin price usually before halving was relatively low
        - Going into halving we are going into all-time highs (priced in advance)
            - Buy about 6 months, probably due to ETF's
        - All-time high hash rate and institutional investors
    - Halving Countdown Websites
        - Changes in hash rate difficulty make them wrong
        - We only generate estimates based on current difficulty (changes on avg every 2 weeks)
        - way dates are calculated in bitcoin are also slightly off due to off-by-one error, makes the time actually slightly faster
- His prediction
    - Nothing is gonna happen, usually, the day of and around nothing happens until miners know what they need to adjust. Block 840,001 will be coming out and start a new halving period

Economist makes ominous Bitcoin forecast: 'Sell now' by @foxbusiness

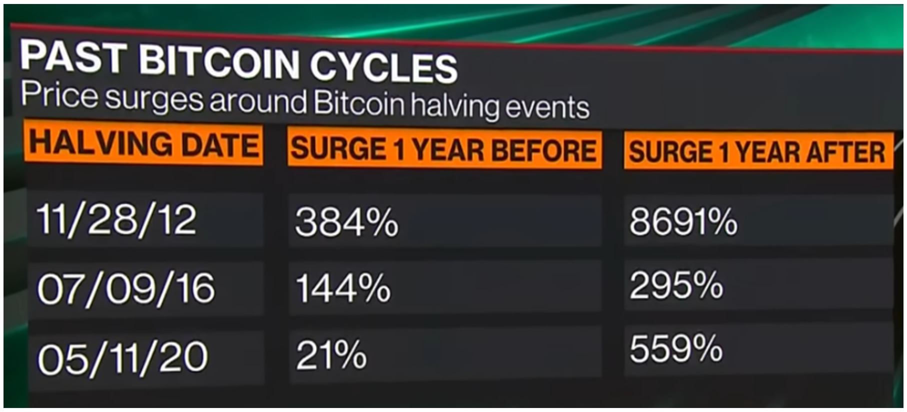
- □ The reaction was a bit sarcastic/belittling from the host
- Guest pumps up the core values, not regulated, currency of the people
- Pitches gold quickly
    - and bring on Peter Schiff the "Gold die-hard"
- □ It's more entertainment, crypto bull vs gold bull/crypto bear

Great Depression Coming & Bitcoin Going To $0 or $1 Million? - Peter Schiff vs Raoul Paul Debate by @TomBilyeu

- “Old vs New” debate
- **Peter Schiff:**
    - **Economic Pessimism**: Predicts (often) economic downturns and argues that policies like excessive government spending and monetary easing could lead to a financial crisis
    - **Bearish on Bitcoin**: Vocal critic of Bitcoin and cryptocurrencies, often describing them as lacking intrinsic value and speculative bubbles. He argues that Bitcoin could eventually become worthless.
- **Raoul Paul**
    - **Economic Concerns but Different Focus:** While acknowledging potential economic challenges, focus more on systemic changes and the impact of global economic structures. New technologies and financial systems could transform/save the economy.
    - **Bullish on Bitcoin:** Generally optimistic about the future of Bitcoin and cryptocurrencies. Bitcoin has the potential to reach very high valuations (like $1 million) due to factors like its adoption as a store of value, increasing institutional interest, and its properties as a digital asset.

[Bitcoin's Upcoming Halving: What to Expect]() by [@bloombergtech]()

- More about the fundamentals of Bitcoin and the halving.



PAST BITCOIN CYCLES
Price surges around Bitcoin halving events

HALVING DATE	SURGE 1 YEAR BEFORE	SURGE 1 YEAR AFTER
11/28/12	384%	8691%
07/09/16	144%	295%
05/11/20	21%	559%

- Federal economic concerns, debt and money printing.
- The biggest stories right now are stablecoins, basically an updated to ACH

["Everyone Is WRONG About The Bitcoin Halving..." Michael Saylor 2024 Bitcoin Prediction]() by @[JamieTree]()

- Bitcoin ETF's sucking up all the bitcoin
    - Bitcoin is basically being taken "public" on the financial markets
    - The history of ETF's a bit
        - January 22, 1993 the SPY came out and it became the new savings account for everyone, the problem is it buys the top 500 stocks blindly at any price.
        - Bitcoin ETF is different since everything just comes down to a depreciating asset, with now even less supply due to halving
        - Due to big success of BTC ETF's in USA now more pressure from other international markets to get their ETFs approved.
            - Reduction of index fees
            - Lower fees = more asset price appreciation
- Many people do or don't, so big money comes in big waves.
- Starting 2024 the biggest risk for Bitcoin was that the government would ban it, that's now gone.
- Tied up Bitcoin investments
    - Bitcoin Futures slowed down the price after the approval since it's expensive to move future positions around, so people just wait to roll out of the futures and into spot around expiration.

    - People also stuck in legacy funds like grayscale
        - ▯ Maybe, it's good to avoid fees. Buys and sells can be expensive so next cycle you'd move into a better investment vehicle.
    - Bankruptcy estates like FTX, Genesis, Celsius, Voyager, Three Arrows, RTX, Block-fi, Alameda, etc.

"Crushed On Every Measure" - Patrick Bet-David & Peter Schiff Debate The Value of Gold vs Bitcoin by @Valuetainment

- Value of gold vs inflation, gold has stagnated for a long time 50 years when accounted for inflation
- Every other asset class has done better than gold
- ▯ the comment says it well:
    - "Gold isn't supposed to catch up, its not an investment. Its a store of value. Its not competing with stocks or houses. Its supposed to be an anchor in which value can be repeatedly measured, like a measuring tape. The illusion that its going up is only when comparing it to the dollar." @antoniorenteria2896
- Gold goes through long periods of time, at the same price, more of a store of value
- Houses went up, as well as stock market, compared to gold
- Schiff believes gold has been mispriced and rally is coming.

Everyone Is Wrong About Bitcoin: “Have Fun Staying Poor!” by @GrahamStephan

- The most requested topic of his channel, the best preforming asset of the decade, love or hate it
- The history of bitcoin
    - Created in during last major financial crisis, limited at 21 million coins.
    - From geeks to a global store of value
    - To the big ETF's booming
        - Buying 3.5-4.3k bitcoin daily
        - Compared to the 900 daily mined (before this halving)
- USD - inflation makes it the worst-performing asset. Even through it has the whole US backing it, the strongest gov in the world..
- Investopiedia's 6 successful currency criteria
    - Scarcity, Divisibility, Acceptability, Portability, Durability, Uniformity

- Bitcoin ranks highest in each category
    -
        - Scarcity: It must not be a widely available resource
        - Divisibility: Currency should have many denominations
        - Acceptability: The intended audience must accept it
        - Portability: It must be able to be carried around and exchanged
        - Durability: Currency should have a long life span time
        - Uniformity: All denominations should be identical and not easily reproduced [1]
- BEAR cases
    - Investors against it
        - Buffet: Not a value-producing asset, US gov won't let a random currency replace theirs
        - Charlie Munger: Rat poison going to zero
        - JP Morgan: Worthless and for criminals
            - how I feel about cash
        - Roubini: Too volatile for a store of value
        - Rogoff (Harvard professor): People in power will regulate anonymous transactions, 100 addresses hold roughly 15% of the circulating supply
            - Sounds better than USD
        - Peter Schiff: It will go to 0, greater fool theory.
    - Price predictions bear
        - < $20k by end of year - Deutsch bank
        - < $200 next US crash - Harry Dent
    - A lot of Bitcoin bulls are quite eccentric, which puts people off
- Bull cases
    - The actual bitcoin available is much less than 19 million, roughly 17m based on lost coins, including satoshi and zombie holdings
    - Price predictions bull
        - $160 - $180k crypto analysts this year
        - $350 - $450k crypto analysts next year
        - $1M by 2030 - Cathie Woods
        - $2.3M one day - Robert Kiyosaki
    - Intergenerational revenge on the financial system
    - Many points from above that were still part of intro

"Everyone Is SO WRONG About The Bitcoin Halving..." Cathie Wood 2024 Crypto Prediction by @JamieTree

- Cathie Wood believes it at a minimum.. will maintain value because it's scarce just like gold is scarce.
- Bitcoins growth is 1.8% per year while golds is roughly 1% per year, but after halving it will be .9% growth per year, under gold. So for the first time "new supply" goes under gold.
    - Why is gold a scarce asset? Hard to find/mine
    - Why is Bitcoin a scarce asset? Mathematically metered to halved every 4 years, always less new supply and a cap on max total supply.
    - 15m of the 19.5m current supply, is in strong hands, not moved in over 155 days
    - □ This is big, View Stock to flow above
- Tech is just now ready for this kinda stuff, new tech takes a while for it to show it's value
    - 2003 the first whole genome was sequenced, costing about $2.7B dollars per person to do and 13 years of computing power
    - 2006 came the cloud
    - 2012 first AI's like deep blue
    - 2017/2018 Transformer Architecure
- Capital flowed into these aggressively back then but should not have as they were not ready to deliver real results yet, today they are ready for primetime.
    - 5 Major Platforms: Robotics, Energy Storage, AI, Blockchain, and Multi-Omics Sequencing in the life science space.
- Cathie prefers to invest in a controversial space with a lot of FUD
    - Most people want the standard index, which is dangerous

THIS BITCOIN WHALE JUST DUMPED $1 BILLION! by @stackersatoshi

- BTC and crypto market cap at big support, if we break we could see a bigger pull-back
- Geopolitical risks

- Big Binance SAFU Fund Selling

My Action Plan: Before & After Halving

Buy more BTC, I've gotten hacked once lost about 17k worth of crypto and then Blockfi collapsed and lost $55k worth of crypto. Today that would be worth more than $1.5m (if I didn't sell) which was my goal. Those were long-term investment accounts.

Not your keys, not your crypto.

Luckily it wasn't all my crypto and today it's spread out quite a bit. Therefore I also like the ETFs idea and will buy some in my Roth IRA if I were to ever buy Bitcoin Spot it would be transferred to cold storage ASAP.

These are the top 5 BTC ETF I'll buy and here's how (bankrate.com)

More U.S. ETF's: (bitbo.io) and charts (charts.bitbo.io)

- Cool you can see premium for the ETF right now.

Live example:

I'll buy $1k in each to compare how they go.

If you want a full breakdown of each ETF, then subscribe as that will be one of my upcoming videos.