

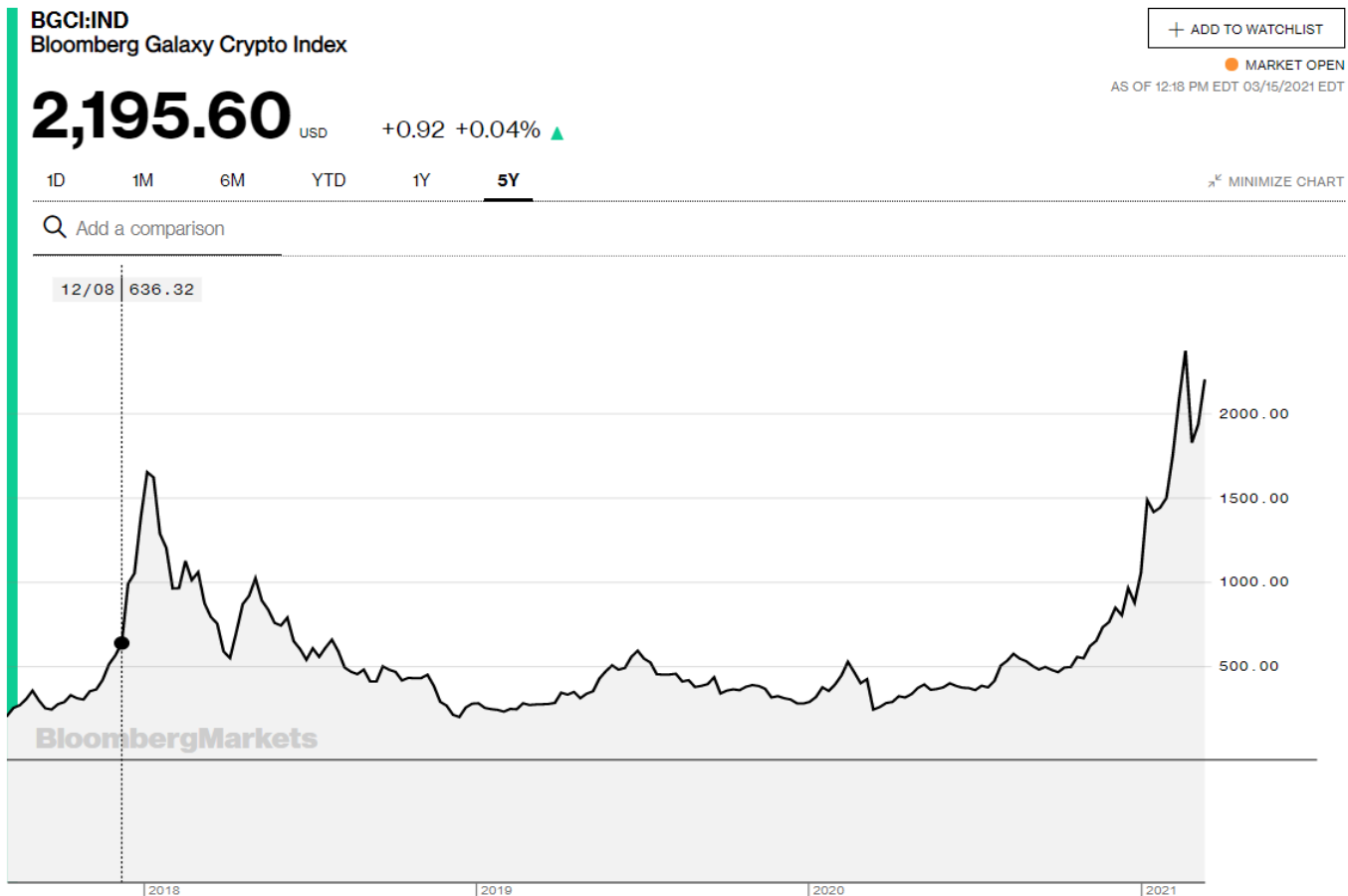


## Update on Cryptoassets as of March 15, 2021

By Van K. Tharp, PhD

### Market Summary

The Bloomberg Galaxy Crypto Index hit a year low of 241.61 in early March 2020. Last month it was at 2194.38 after BTC made a new high of \$51,630.86. Now, fast forward one month to today – BTC hit a new all-time high of \$61,683.85 on March 13 and has fallen back to \$56,479 (at the time of this writing), but the BGCI is almost at the same value as last month at 2195.6.



Courtesy: <https://www.bloomberg.com/quote/BGCI:IND>

Let me put this into perspective. In late 2017, I said that cryptoassets were the biggest institution revolution since the Industrial Revolution and that they represented the investment of a lifetime. Institutions were not ready or capable of participating in that revolution so they “pooh-poohed” cryptos. Michael Saylor, the President of MicroStrategy (which owns about \$3 billion in BTC) had said in 2013 that BTC’s days were numbered. But now he’s personally one of the top 100 holders of BTC saying on Oct. 28, 2020 that he owned 17,772 BTC purchased at an average price of \$9,882. At one point he said that he was purchasing \$1,000 worth of BTC every second. His company, knowing about his personal purchases, purchased most of its coins after he’d already acquired a large stake.

The SEC decided that most altcoins were securities and that precipitated a huge bear market. Cryptos underwent an 85% decline into the last month of 2018 and BTC hit a low price of \$3,236.76 on Dec. 15, 2018. But then look what happened.

- BTC was up 92.71% in 2019
- BTC was up 305.94% in 2020
- And now it’s up 94.35% in the first 74 days of 2021

Last July we decided to put tuition money from new Super Traders into GBTC. We took all the risk but would credit them with 79% of any gains. Those who invested in \$10,000 were able to cover all of their ST Foundation tuition without paying any additional money because of the credit they earned from the gains in just six months. Those who paid \$25,000 were able to use their gains to pay for ST Foundation and in most cases, also pay for ST Awakening. The crypto price gains were impressive – there was actually a period from October through November last year when our crypto positions gained over \$3 million in seven weeks.

What did I say in 2018? **Cryptos are the investment of a lifetime!!!!!!**

While BTC could go up another 5-10 fold over time, I doubt that it will go much over \$100,000 this year. Our ST BTC system currently has a stop price at about \$30,381 which means we have less than a +2R gain left if BTC gets to \$100,000 this year from the current risk levels. The system entered at \$9,156 on May 6<sup>th</sup>, 2018 and currently has a gain of 544%. The system has held the position for 312 days which is the longest the system has held a position. The price is nowhere near our stop and it’s only about \$9,000 away from being the largest gain ever.

The opportunity of a lifetime, however, is not over because now the altcoins are starting to move. Here is a list of the top 10 coins in market cap (excluding the stablecoin Tether) in terms of the 2021 and 2020 market gain. Again, this is not a recommended list – but if this is the top 10 in terms of market cap, what does it tell you about the market?

Market Cap	Coin	2021	2020
1	BTC	94.35	305.94
2	ETH	140.65	471.44
3	BNB	589.31	174.22
4	ADA	477.26	453.75
5	DOT	283.24	411.58
6	XRP	83.25	24.71
7	UNI2	483.72	192417.7
8	LTC	57.81	213.03
9	LINK	143.38	538.38
10	BCH	52.47	69.91

There are only three of them with less than 100% gains for 2021: BTC (probably because 100% is \$30K); XRP (because of the SEC lawsuit against them) and BCH (which is just a Bitcoin spinoff – and I usually sell the spin-off coins). BCH is actually up 1.12 billion percent since its inception which is greater than BTC. I own all ten of these coins but none of them are in the top 25 in terms of percent gain for 2021 for high market cap stocks.

Cinindicator has been one of my favorites because of the price predictions it generated and it's 444 in terms of market cap. But even it's up a lot.

- CND 257.64%

And remember those gains are just of the 74 days of 2021.

I think that there are a number of altcoins that could go up 10 times or more during the rest of 2021. Now we might have a decline of 40% or more during the year, but it probably will be short-lived with a very quick recovery.

As a result, VTI opened up an all-crypto account with a new offer for potential Super Traders. We started on February 9<sup>th</sup>, exited, and reentered on February 22. The position of about \$600,000 is now worth over \$700,000 with only 92% invested so far. One of our positions has produced most of the gains because it went from 22 cents to over 1.00 in that time. **The ST program is currently full but we are accepting applications for people who might want to start in July.** We have no idea if we will make a similar offer using cryptos in July. In July I might decide that it's too risky to do this again.

Why are we doing this? Two reasons: 1) Van's strong belief that this is probably the investment opportunity of his lifetime and 2) We can make a lot of money and share it with our clients. We actually believe that sharing the gains and taking all the risk increases our chances of making huge returns.

We are up nicely but it's not because I'm a genius crypto picker, it's because of my belief that cryptos are an institutional revolution and my overall rules for setting up a portfolio. We will teach this to our new batch of Super Traders after they complete the risk control lessons, probably sometime in April.



The table below tracks the price of five major cryptoassets across three generations of the technology now along with Bloomberg's index:

- Bitcoin, a 1<sup>st</sup> generation cryptoasset,
- ETH and NEO, 2<sup>nd</sup> generation cryptos, and
- Iota, a 3<sup>rd</sup> generation crypto
- Holo (HOT)
- BGCI Index – I've also started including BGCI prices in the table.

Date	Bitcoin (1)	Ethereum (2)	Neo (18)	Iota (23)	Holo (55)	BGC Index
<b>High closing price</b>	\$49199.87*	\$1845.53**	\$187.41***	\$5.01****	0.008859 *****	\$2229.93#
Jan 15, 2017	\$821.80	\$9.90	Did not exist	Did not exist	Did not exist	\$1284.96
Oct15, 2017	\$5,501.91	\$329.44	\$27.33	\$0.44		
Nov 15, 2017	\$7,211.34	\$334.16	\$29.35	\$0.79		
Dec15, 2017	\$17,868.00	\$691.41	\$47.99	\$3.90		
Jan 15, 2018	\$14,361.40	\$1,329.25	\$187.41	\$3.48		
Feb 15, 2018	\$9,945.92	\$943.47	\$123.29	\$2.13		
Mar 15, 2018	\$8,082.62	\$594.70	\$69.57	\$1.09		
Apr 15, 2018	\$8,303.10	\$522.46	\$70.33	\$1.67		
May 15, 2018	\$8,227.85	\$692.20	\$63.25	\$2.00	0.001136	
Jun 15, 2018	\$6,456.58	\$491.00	\$38.26	\$1.19	0.000637	
Jul 15, 2018	\$6,375.41	\$449.16	\$33.41	\$0.99	0.000389	
Aug 15, 2018	\$6,308.52	\$284.41	\$16.13	\$0.45	0.000560	\$436.83
Sep 19, 2018	\$6,345.46	\$209.27	\$16.89	\$0.52	0.001139	\$406.42
Oct 16, 2018	\$6,615.24	\$210.49	\$16.28	\$0.50	0.001104	\$436.22
Nov 14, 2018	\$5,739.91	\$182.14	\$13.26	\$0.43	0.000855	\$380.95
Dec 15, 2018	\$3,232.51	\$84.27	\$5.73	\$0.22	0.000425	\$197.59
Jan 15, 2019	\$3,700.77	\$128.92	\$7.89	\$0.31	0.000600	\$246.62
Feb 15, 2019	\$3,639.13	\$123.13	\$8.26	\$0.27	0.001299	\$243.42
Mar 15, 2019	\$4,011.88	\$140.92	\$9.59	\$0.30	0.001124	\$273.32
Apr 15, 2019	\$5,052.95	\$161.00	\$10.66	\$0.304	0.001240	\$322.21
May 15, 019	\$7,949.29	\$265.90	\$12.16	\$0.424	0.001509	\$477.47
Jun 19, 2019	\$9,108.28	\$267.17	\$13.59	\$0.437	0.001797	\$522.08
Jul 15, 2019	\$10,652.35	\$233.20	\$12.37	\$0.304	0.001347	\$531.37
Aug 15, 019	\$10,121.61	\$184.60	\$9.77	\$0.233	0.000880	\$400.71
Sep 15, 019	\$10,342.89	\$189.56	\$9.10	\$0.249	0.000809	\$407.05
Oct 15, 2019	\$8,088.29	\$177.39	\$7.14	\$0.275	0.000787	\$358.28
Nov 15, 019	\$8,526.72	\$180.26	\$11.99	\$0.257	0.000996	\$366.20
Dec 15, 019	\$7,107.57	\$142.28	\$8.98	\$0.175	0.000711	\$280.27
Jan 15, 2020	\$8,755.32	\$164.1	\$11.15	\$0.228	0.000713	\$361.92
Feb 15, 2020	\$9,889.42	\$264.73	\$15.00	\$0.289	0.000844	\$525.32
Mar 14, 2020	\$5,332.96	\$127.34	\$3.96	\$0.850	0.000033	\$241.61
Apr 16, 0020	\$7,024.17	\$170.5	\$7.46	\$0.157	0.000346	\$309.68
May 16 2020	\$9,313.92	\$188	\$9.98	\$0.197	0.000528	\$359.29
Jun 15 2020	\$9,565.88	\$234.24	\$10.62	\$0.221	0.000592	\$381.55
Jul 15, 2020	\$9,179.76	\$237.54	\$10.97	\$0.24449	0.000708	\$378.28
Aug 15, 2020	\$11,869.45	\$435.13	\$15.28	\$0.417556	0.000861	\$572.61
Sep 15, 2020	\$10,779.19	\$365.58	\$20.83	\$0.278880	0.000547	\$485.85
Oct 14, 2020	\$11,335.38	\$375.68	\$17.03	\$0.271069	0.000489	\$503.25
Nov 16 2020	\$16,718.23	\$460.28	\$15.77	\$0.256385	0.000491	\$659.58
Dec 20, 2020	\$23,753.39	\$648.81	\$18.23	\$0.333866	0.000612	\$962.55
Jan 15, 2021	\$37,218.80	\$1265.93	\$24.08	\$0.4425	0.000745	\$1,414.37
Feb 17, 2021	\$51,013.43	\$1811.47	\$41.96	\$1.27	0.001345	\$2,194.38
Mar 15, 2021	\$56,384.68	\$1771.57	\$38.62	\$1.28	0.008894	\$2,195.60

*Date of the All-Time High Closes*

*\*Jan 1 \*\* Feb 16, 2021 \*\*\*Feb 12, 2021 \*\*\*\* Dec 8, 2017 \*\*\*\*\* Mar 15, 2021 # Feb 16, 2021*

No big changes this month except for HOLO which is up about 527.17% in the last 30 days. I was actually thinking of selling HOLO because it hadn't done too much but now it's up 1,400.47% on the year so I'm glad I'm still holding it. It made a new all-time high mid-day today but I won't know the daily high until the end of the day.

The following table tracks the amount of money in stable coins in the top 100 or which have a market cap of over \$100 million. The percentage of the total crypto market cap indicates one measure of health for the crypto market.

<b>Date</b>	<b>Total Crypto Market Cap</b>	<b>Number of coins over \$100M</b>	<b>Market Cap Stablecoins over \$100M</b>
8-Jan-18	\$830.0 Billion		\$1.48 billion
15-Jul-18	\$255.30 Billion		\$1.48 billion
15-Jan-19	\$123.23 Billion		\$2.90 billion
15-Apr-19	\$170.51 Billion		\$3.12 billion
15-Jul-19	\$286.58 Billion		\$6.39 billion
15-Oct-19	\$232.23 Billion		\$6.13 billion
15-Nov-19	\$233.12 Billion		\$6.08 billion
15-Dec-19	\$192.84 Billion	Number of \$100M	
15-Jan-20	\$239.57 Billion	48	\$5.37 billion
18-Feb 20	\$291.57 Billion	64	\$6.67 billion
14 Mar 20	\$153.83 Billion	45	\$5.71 billion
16 Apr 20	\$201.12 Billion	49	8.701 billion (6)
16 May 20	\$256.15 Billion	60	11.385 billion (8)
15 Jun 20	\$268.94 Billion	66	10.742 billion (5)
15 Jul 20	\$271.69 Billion	77	11.142 billion (7)
15 Aug 20	\$374.59 Billion	105	12.083 billion (6)
15 Sep 20	\$347.44 Billion	101	17.324 billion (5)
14 Oct 20	\$357.05 Billion	93	20.959 billion (7)*
16 Nov 20	\$473.44 Billion	94	23.159 billion(7)*
20 Dec 20	\$670.87 Billion	109	26.335 billion
16 Jan 21	\$1,033.59 Billion	129	32.6 billion (7)
17 Feb 21	\$1,542.60 Billion	280	44.1 billion (8)
15 Mar 21	\$1,712.0 Billion	327	56.6 billion (9)
* The 7 stable coins include USDT, USDC, DAI, BUSD, UST, TUSD, PAX, VAI, and HUSD			

Since last month we had about a \$2B gain in the market cap (over \$100B now) of stablecoins.

Date	Total Crypto Market Cap	% Bitcoin*	% Top Five*	Cryptos Listed	Cryptos w/ Market cap >\$25M
8-Jan-18	\$830.0 Billion**	34.3%	69.7%		
15-Jan-18	\$712.0 Billion	33.7%	69.6%		
15-Feb-18	\$472.2 Billion	35.7%	71.4%	1530	
15-Mar-18	\$327.4 Billion	42.7%	74.3%	1527	
15-Apr-18	\$332.0 Billion	42.2%	74.3%	1568	
15-May-18	\$376.5 Billion	37.2%	71.2%	1609	
15-Jun-18	\$281.6 Billion	39.9%	73.9%	1629	
15-Jul-18	\$255.3 Billion	43.1%	75.0%	1637	
15-Aug-18	\$203.2 Billion	52.5%	79.6%	1842	
19-Sep-18	\$198.2 Billion	55.3%	78.6%	1977	
16-Oct-18	\$211.9 Billion	54.1%	78.9%	2085	
14-Nov-18	\$187.0 Billion	53.3%	79.4%	2095	
15-Dec-18	\$104.3 Billion	55.0%	78.0%	2072	
15-Jan-19	\$123.23 Billion	52.3%	78.4%	2108	
15-Feb-19	\$133.45 Billion	51.9%	70.3%	2071	
15-Mar-19	\$140.34 Billion	50.6%	75.9%	2112	<b>Cryptos w/ Market cap &gt;\$25M</b>
15-Apr-19	\$170.51 Billion	52.1%	75.8%	2172	
15-May-19	\$250.76 Billion	56.1%	79.8%	1977	
15-Jun-19	\$285.54 Billion	57.1%	79.4%	2238	194
15-Jul-19	\$286.58 Billion	66.0%	83.4%	2220	171
15-Aug-19	\$262.10 Billion	68.5%	83.9%	2315	142
15-Sep-19	\$266.23 Billion	69.7%	85.0%	2365	130
15-Oct-19	\$232.23 Billion	63.6%	80.9%	2407	163
15-Nov-19	\$233.12 Billion	66.0%	83.1%	2369	139
15-Dec-19	\$192.84 Billion	66.9%	82.7%		96
15-Jan-20	\$235.19 Billion	66.7%	89.9%	2397	121
18 Feb 20	\$291.57 Billion	62.2%	81.6%	2408	149
14 Mar 20	\$153.87 Billion	63.7%	80.6%	2450	102
16 Apr 20	\$201.12 Billion	63.9%	82.7%	2514	122
16 May 20	\$256.25 Billion	67.0%	84.2%	2040	133
15 Jun 20	\$269.47 Billion	65.3%	83.1%	2677	263
15 Jul 20	\$271.11 Billion	62.3%	80.3%	2735	265
15 Aug 20	\$374.59 Billion	58.3%	79.6%	3095	320
15 Sep 20	\$347.44 Billion	57.4%	75.0%	3417	305
14 Oct 20	\$357.05 Billion	58.7%	80.8%*	3632	307
16 Nov 20	\$473.43 Billion	65.2%	82.2%	2371	316
20 Dec 20	\$670.68 Billion	65.8%	82.7%*	4074	364
15 Jan 21	\$1,037.8 Billion	66.7%	87.6%	4086	402
17 Feb 21	\$1,539 Billion	61.7%	80.6%	4089	551
15 Mar 21	\$1,703 Billion	61.3%	77.6^	4332	652

\*Does not include stablecoins in the top five

\* Bitcoin was as high as 90% of the market cap of all cryptos at the beginning of 2017 to as low as 32% at the top of the market. Part of the difference is that there are now nearly 8800 cryptocurrencies. So, the number keeps going up.

Notice that each month sets a new market high for market cap and that we are now more than double the old high peak in market capitalization formed in January 2018.

Some interesting changes happened this month. First, there are now 4,332 coins listed and CoinMarketCap.com says there actually are over 8,000 coins. The site now lists 652 coins with a market cap of \$25 million or more. One year ago, there were only 102 coins with a market cap above \$25 million. That shows the bull market in the other cryptos has started.

As I have mentioned previously, initial coin offerings were all the rage in 2017 until the SEC decided that cryptos were securities and ICOs were illegal. Now the new rage is Decentralized Finance and this group includes these new coins in the top 75: Wrapped BTC (WBTC), AAVE, UNI, DAI, YFI, COMP, SNX, UMA, CEL, LRC, and SUSHI. I'm sure some of these coins will become buzz words in the near future.

By the way, the last crypto with a market cap over 25 million dollars is Mirrored Tesla. It's priced at \$710.34 while Tesla is priced at \$703.68. I guess that's one way to buy \$50 worth of Tesla if you wanted it. It says it can be minted on the Mirror Protocol which references on-chain prices provided by Band Protocol's decentralized network of oracles. It says that it can be an ERC20 or CW20 version and can be traded on Uniswap. I guess it's not something that Elon Musk started but who knows. It is a way that someone could buy \$10 worth of Tesla stock – if you trust that it is actually backed by Tesla stock.

I used to say that I only trusted those coins in the top 50-100, however, between June 2020 and the present, many coins fell out of the top 100. Some of them didn't fall far but some of them even fell out of the top 500.

We are now following 241 coins in our crypto model. There are eight coins that we don't have enough data for, meaning they all come out with an SQN of 0.0 and are listed as bear. Thus, there are only 10 cryptos in bear territory out of 233.



Count Stats	Count		Count Stats	Count		Count Stats	Count	
Very Bullish	2	1.7%	Very Bullish	13	5.4%	Very Bullish	27	11.2%
Bullish	18.00	15.7%	Bullish	45	18.7%	Bullish	78	32.4%
Neutral	29.00	25.2%	Neutral	77	32.0%	Neutral	58	24.1%
Bearish	51.00	44.3%	Bearish	91	37.8%	Bearish	49	20.3%
Very Bearish	15.00	13.0%	Very Bearish	15	6.2%	Very Bearish	29	12.0%
Total:			Total:			Total:		
115			241			241		
Nov 2020			Dec 2020			Jan 2021		
Count Stats	Count		Count Stats	Count				
Very Bullish	108	44.8%	Very Bullish	111	46.1%			
Bullish	69	28.6%	Bullish	84	34.9%			
Neutral	29	12.0%	Neutral	21	8.7%			
Bearish	27	11.2%	Bearish	18	7.5%			
Very Bearish	8	3.3%	Very Bearish	7	2.9%			
Total:			Total:					
241			241					
Feb 2021			Mar 2021					

Notice that we now have 46.1% of the cryptos being strong bull and 84 being bullish. That's a new record because we really have 195 out of 233 cryptos being bearish for a total of 83.7% and that's an outstanding bull market. I know a lot of people are starting to take profits in BTC, but I'm not sure they know what's going on with the rest of the market.

By the way, I personally think that DOGE is probably one of the worst cryptos. It's was formed as a joke, so at least it's not a Ponzi scheme. But if you talk to most people in their 20s, it's the only crypto they own because it's all over social media. Even Elon Musk was talking about it which suggests that he might be brilliant at owning companies but that he certainly isn't an authority on investing in other people's companies. I'd think that he might have been joking but I don't trust people who get sued (repeatedly) for tweets that impact the price of their company's stock (Tesla).

There are now a number of errors in this spreadsheet so I'm not going to use it for anything else until those errors are fixed. For example, the worst crypto according to the spreadsheet was Solve with a Market SQN® number of minus 1.97. I own that and my first thought was "how am I keeping a coin that's down like that?" Well, I checked it and it is up 167% in 2021, so something was wrong in the calculations. I actually owned four coins in the bottom 15 ranking and the worst performing was up by 58%. Thus, all four of those coins had incorrect Market SQN scores.

Four months ago BTC was #1 in our SQN crypto screener, but for the last three months, BTC has had an SQN of 1.00. A second spreadsheet, that I trust, shows BTC with a Market SQN® of 2.52 which would still keep its number as a top 15 crypto. I still have no idea what's happening with our data but I won't be presenting anything else from that spreadsheet until we can fix the problems.

The data below shows the top ten, and bottom ten, cryptos that are in the top 100 in terms of market cap. These data were copied from our tax software, *cryptotracking.info*.

Top 10 Gainers (Market Cap)	Crypto Asset	Bottom 10 Assets (Market Cap)	Crypto Assets
1 (68)	VGX	100 (27)	BSV
2 (28)	CHZ	99 (20)	XMR
3 (44)	MATIC	98 (24)	EOS
4. (75)	FTM	97 (46)	LEO
5 (40)	ENJ	95 (10)	BCH
6 (80)	NPXS	94 (74)	WAVES
7 (100)	ORBS	93 (8)	LTC
8 (56)	CAKE	92 (30)	XEM
9 (55)	HOT	91 (78)	OKB
10 (54)	RVN	90 (71)	FLOW

Every coin in the top 10 is up by 1,250% or more in 2021, but most of these coins on the exchanges are not available to US Citizens. The Bitcoin spinoff, BSV was the worst-performing crypto in 2018 in the top 100 in terms of market cap, but it is still up 16%. Imagine that the worst-performing crypto in the top 100 in terms of market cap is up more than most stocks are this year. The top 25 gainers in the top 100 in terms of market cap are all up over 500% and that's in 74 days. In my individual account, I only own two in the top 10, while I own six of the bottom 10. You don't have to be a genius to do well in this market.

In determining the top 100 in market cap, we have skipped a few questionable coins, such as DOGE, and all of the stablecoins in the top 100. Thus, our top 100 is a little different from that of coinmarketcap.com. I also added one coin that I like that isn't close to the top 100 in market cap, simply because I own a lot of it and that is CND. It's up 263% which puts it at #51.

BTC was up 92.7% in 2019, 305.94% in 2020, and in the first ten weeks of 2021, it's up 91.78%. Let's contrast that with the other hedge against the USD collapse and the classic disaster hedge, gold. Gold was up 20.94% in 2019, up 18.32% in 2020, and it's down 10.3% so far in 2021. The path of safety is now BTC.

The following table shows the BTC year change since January 2010.

Year	Price	Year	Price
2010	500%	2016	121.13%
2011	1,637.67%	2017	1,306.19%
2012	156.24%	2018	Minus 72.46%
2013	6,101.12%	2019	92.71%
2014	Minus 61.81%	2020 (Dec 20 <sup>th</sup> )	305.94%
2015	37.86%	2021	91.78%

People talk about BTC being volatile and risky. But where can you find something that has made over 1,000% in 3 of the last 11 years, over 100% in 8 of them, and had only two losing years? There is only one other asset class besides BTC with anywhere near equal performance – other cryptoassets. And still, BTC will probably have a 100% gain for this year by the time we publish the next crypto update. Again, this is not a prediction, just an educated guess based upon the trend continuing.

Many newsletters with their scare tactics are saying that the US Dollar will get an official devaluation of about 30% in April. Now, I imagine this is just one of the usual scare tactics that newsletter copyrighters have to get you to buy their service, but gold certainly doesn't reflect a potential devaluation of the dollar and it certainly doesn't look like the place to be when compared with cryptos. But many people cling to the belief that gold is the asset to hold to preserve value, but that may no longer be the case. Thousands of years ago, some people used seashells as a representation of money/value.

Gold has about 10 times more market cap than cryptos right now (even though cryptos are now over a trillion for the 1<sup>st</sup> time). If all of the money in gold went into BTC, its price would be about \$370,000.

If you had bought BTC at the beginning of 2012 (which was not at the very beginning), you would have turned \$1,000 into more than \$11.8 million (it was up to \$4.5M only two months ago month). Our Super Trader BTC system, which only has three losing trades has outperformed buy and hold. The system entered its last position on May 6<sup>th</sup> at \$9,156.06 and it's currently up 544% on the current position and is outperforming buy and hold.

Finally, here is a chart showing the price of BTC since 2016. It used to show a huge gain at the end of 2018, but now look how that compares with the current price.

All Data



The following chart shows the price of BTC over the last year. Notice the size of the bars recently which shows your likely minimum risk. As I said earlier if BTC goes to \$100K with our current risk of \$30K we'll only have a potential gain of 1.3R remaining for the year. But it could also go much higher than \$100K.



## Cryptocurrency News:

- On March 12<sup>th</sup> / March 13<sup>th</sup>, 2020, BTC hit a low for the year of \$3,800. On March 13, 2021, it hit a new high of \$61,597.92. That's a gain of over 1,600% in a one-year period. And you like gold, silver, or even Tesla? But over a year, BTC's gain is small compared to some altcoins which have done in just 74 days in 2021.
- The US adopted another \$1.9 trillion bailouts. In the Spring of 2020, the bailout led to a huge number of deposits at crypto exchanges. A survey now says Americans might spend up to \$40B from the stimulus package on BTC.
- Many newsletters, as part of their fear and greed sales tactics, are saying that there will be a new world reserve currency starting as early as April and that the US dollar would be officially devalued by over 30%. But, gold, is doing nothing. Is that a sign that this is just hype or a sign that gold is a "past" disaster hedge or both?
- PayPal and Square are now buying enough BTC to account for all the newly mined BTC each month.
- Coinbase is about to go public as a NASDAQ company and the valuation is \$90 billion. Premarket shares of Coinbase are at about \$350 which means the company will have an additional \$3B in revenue. Will they use that money for crypto purchases?
- MicroStrategy, which is a business analytics platform, has adopted BTC as its primary reserve asset. In Feb 2021, they purchased 295 BTC and it now holds, 71,079 in BTC in reserve (worth over \$3 Billion). They've been trying to get other companies interested in using BTC as a reserve and actively encouraging them.
- Part of the run-up to new highs was because MicroStrategy acquired another 262 BTCs this week at an average price of \$57,146.

- Tesla purchased \$1.5 billion of BTC and shot BTC up to new highs. Then Musk remarked that BTC was a bit high and BTC crashed. The media comment first on how much Tesla made through BTC and then Bloomberg talked about how much he'd lost in the crash. I doubt if Elon Musk is very sophisticated as a crypto investor because he's also talking about investing in DOGE which was formed as a crypto joke.
- When BTC first approached \$60K and then fell, it was blamed on Elon Musk tweeting that BTC's price was getting high. There is now a lawsuit against Musk because some people, acting as victims, blamed the fall in price on his Tweets. Just because he's one of the richest men in the world doesn't mean he knows anything about investing in anything but his own companies.
- The US CFTC is looking at the Binance.US exchange because they feel that it is selling derivatives to US citizens without a license. BNB fell 10% on the news but recovered. Binance.US claims it hasn't broken any laws. Meanwhile, other countries saying that Ripple was not a security didn't prevent the SEC from attacking XRP as a security.
- Grayscale is having problems because they can't get any new investors. Big investors had been joining Grayscale with \$50K worth of BTC and immediately capturing the value from any increase in BTC and the GBTC premium – which had been 20% or more. It was a common arbitrage for a lot of people. Until January 2021, the qualified investors who had brought \$50,000 increments of BTC into Grayscale were locked in. Starting in January, investors who had had their \$50K in GBTC for more than six months were allowed to start taking out their BTC positions. Now that BTC prices are near \$60,000, GBTC has been selling at a discount as much as 10% less than BTC. That means you can buy BTC 10% cheaper through Grayscale than through a crypto exchange like Coinbase or Binance. The same goes for Grayscale's Ethereum based product, ETHE.
- GBTC had a premium of over 20% when BTC hit its 2018 bottom in December. Grayscale can't get new BTC right now because there is no incentive for accredited investors to make contributions. As a result, it is considering buying shares back. I still have shares of both GBTC and ETHE in my retirement plan but I may consider selling if we get back to a 20% premium. Perhaps there is a good arbitrage opportunity here, but if GBTC goes up with BTC but maintains its 10% discount, then you'd be losing more money with each up movement compared to holding BTC.
- The recent crash was also blamed on whales depositing a lot of BTC at exchanges but this can be a fake-out move to allow them to buy more at a lower price.
- Right as BTC was starting to go down and on top of all of that, Teeka Tiwari gave a huge profit taking recommendation telling 200,000 customers to 1) sell their BTC; 2) sell some of their losing coins; and 3) take partial profits on some of their best-performing coins. That produced a decline from \$58,330 to a low of \$43,241 for BTC. Teeka would have had everyone back in had it dropped to \$35,000. However, it didn't drop that much despite 200K people being told to sell for the first time since his newsletter opened around July 2015. My belief is that if BTC had that small a reaction to that negative stimulus, then it's going much higher. Teeka formed Palm Beach Confidential to recommend buying crypto in 2016. He told people to buy up to \$40,000 and this was his first sell recommendation.
- **Flash Update:** Teeka Tiwari just told all his subscribers that gold was no longer a disaster replacement and that BTC had taken over. He told his 200K subscribers to sell gold and buy BTC with a buy up to price of \$75,000.

This newsletter is not designed to make recommendations but is a free service to the VTI community. I state some of my beliefs about crypto assets in this article, but that doesn't mean that I'm recommending that you do what I'm doing. I personally own positions in most of the cryptos mentioned in this newsletter, however, my primary positions and VTI's primary positions are in GBTC (Grayscale Bitcoin trust) which we recommended for our Super Traders in July. In addition, I have about \$900K worth of cryptocurrencies representing many of those in the top 100 in market cap and probably nearly everything mentioned in this newsletter.

Until mid – April, when we'll do our next crypto update, this is Van Tharp.