



VAN THARP INSTITUTE

Update on Cryptoassets As of April 16, 2021

By, Van K. Tharp, PhD

Market Summary

BTC hit a new all-time high of \$64,863.10 on March 13th, but the Bloomberg Galaxy Crypto Index (BGCI) had almost the same value as the prior month at 2195.6. Fast forward one more month. BTC again hit a new high of \$64,836.10 on April 14th and the BGCI is now at 2931.8.

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 said in 2013 that BTC’s days were numbered but now he’s personally one of the top 100 holders of BTC. On October 28, 2020, he said 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 personal stake. MicroStrategy now owns about \$3 billion in BTC.

In 2018, 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 December 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 116.22% in the first 3.5 months of 2020.

Last July we decided to use tuition money from new Super Traders for a GBTC position. We took all the risk but would credit the STs with 79% of any gains. Those who paid their \$10,000 tuition were able to cover all of their ST Foundation tuition without paying any additional money because of the credit our position gained in just six months. Those who paid \$25,000 were able to use the gains to pay for the rest of the ST Foundation tuition and, in most cases, also pay the ST Awakening tuition. 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 Super Trader BTC system currently has a stop price at about \$45k 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 6th, 2020, and currently has a gain of 590%. The system has held the position for 344 days which is the longest the system has held a position. The price is nowhere near our stop and it only needs about 51 percentage points from the initial price (about \$4600) to be 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 stable coin Tether) in terms of the 2021 and 2020 market gain. Again, this list is not a recommendation of any kind – but if this is the top 10 in terms of market cap, what does it tell you about the market currently?

		2021 %change	2020 %change
BTC	Bitcoin	116.2	306.4
ETH	Ethereum	244.8	457.1
BNB	Binance Coin	1336.6	176.3
ADA	Cardano	745.9	422.3
DOT	Polkadot	424.6	(90.7)
XRP	XRP	75.5	23.1
UNI	Uniswap	697.1	394508.3
LTC	Litecoin	126.2	203.4
LINK	Chainlink	261.7	554.5
BCH	Bitcoin Cash	154.4	66.4
XLM	Stellar	384.3	191.8
THETA	THETA	542.4	2152.0
LUNA	Terra	2510.5	173.6

Only XRP (because of the SEC lawsuit against them) has a gain of less than 100% this year. I own all ten of these coins but none of them are in the top 25 in terms of percentage gain for 2021 for high market cap stocks. And remember those gains are just of the 3.5 months 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 most likely 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 9th, exited, and reentered on February 22nd. The positions of about \$850,000 are now worth about \$1.4M, up about 64% in a little under 2 months.

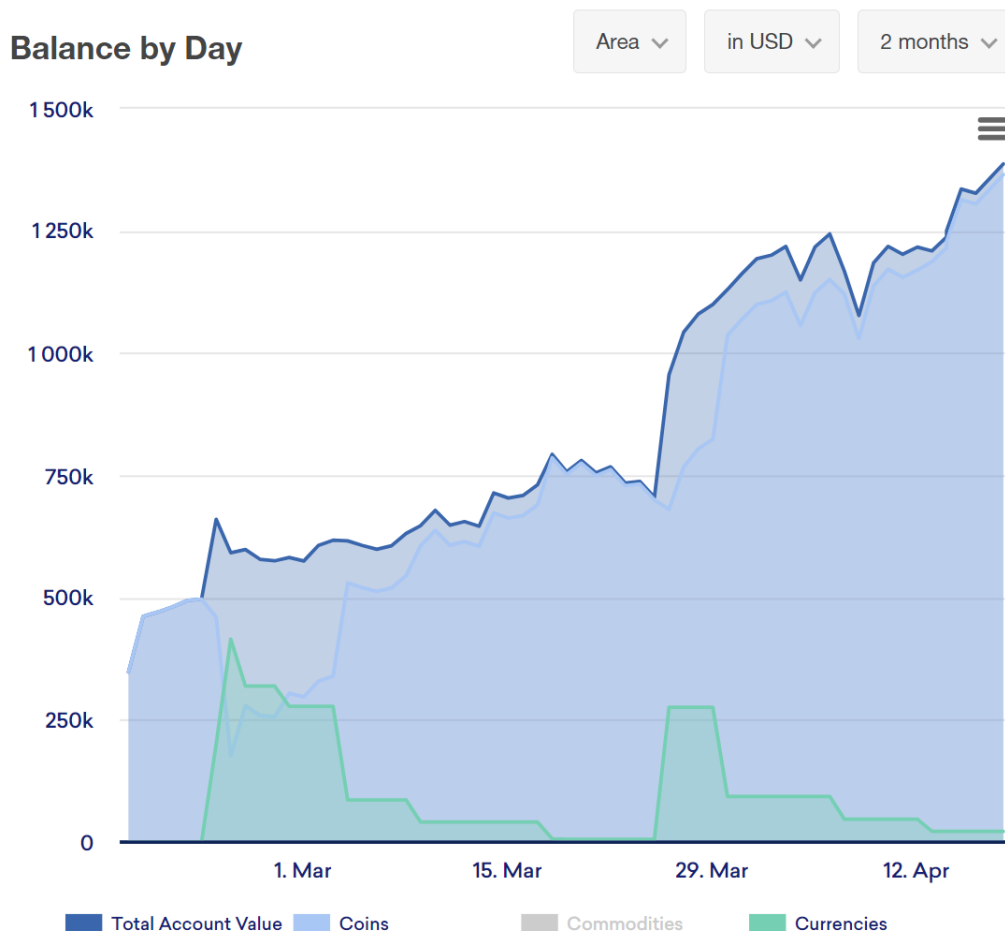
The ST program is currently full, but we are accepting applications for people who might want to start in July. If nothing changes, I will probably repeat the offer in July, but I can't promise anything because we take the downside risk, not you.

Why are we doing this? Two reasons: 1) I have a strong belief that this is probably the investment opportunity of a 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 Super Traders next week – at least for the ones who completed the risk control lessons.

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

- Bitcoin, a 1st generation cryptoasset,
- ETH and NEO, 2nd generation cryptos, and
- Iota, a 3rd 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
High closing price	\$64863.10*	\$2544.27*	\$187.41***	\$5.01****	0.03157 *****	\$2931.77#
Jan 15, 2017	\$821.80	\$9.90	Did not exist	Did not exist	Did not exist	\$1284.96
Oct 15, 2017	\$5,501.91	\$329.44	\$27.33	\$0.44		
Nov 15, 2017	\$7,211.34	\$334.16	\$29.35	\$0.79		
Dec 15, 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, 2019	\$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, 2019	\$10,121.61	\$184.60	\$9.77	\$0.233	0.000880	\$400.71
Sep 15, 2019	\$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, 2019	\$8,526.72	\$180.26	\$11.99	\$0.257	0.000996	\$366.20
Dec 15, 2019	\$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, 2020	\$7,024.17	\$170.5	\$7.46	\$0.157	0.000346	\$309.68
May 16 2020	\$9,313.92	\$188.00	\$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
Apr 16, 2021	\$62,111.40	\$2451.23	\$83.30	\$2.599	0.019236	\$2,931.77

Date of the All-Time High Closes

Apr 14, 2021 ** Apr 16, 2021 *Feb 12, 2021 **** Jan 15, 2017 ***** Apr 5, 2021 # April 16, 2021*

Huge changes happened this month, especially in HOT. I was actually thinking of selling HOLO because it hadn't done much but now it's up 880% on the year so I'm glad I'm still holding it. It shows that you need to pick a portfolio of good coins and that you find some that go up 50 times in value or more. In today's climate, assuming everything continues on course, each coin you buy could go up at least 100%.

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.

Date	Total Crypto Market Cap	Number of coins over \$100M	Market Cap Stablecoins over \$100M
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)
16 Mar 21	\$2,2253.7 Billion	433	70.85 billion (10)
* The 7 stable coins include USDT, USDC, DAI, BUSD, UST, TST, TUSD, PAX, VAI, and HUSD			

Since last month the stablecoin market had about a \$500M gain in the market cap to over \$2.2 trillion. And we have about 14B more 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	Cryptos w/ Market cap >\$25M
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

Date	Total Crypto Market Cap	% Bitcoin*	% Top Five*	Cryptos Listed	Cryptos w/ Market cap >\$25M
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	\$1,539.0 Billion	61.7%	80.6%	4089	551
15-Mar-21	\$1,703.0 Billion	61.3%	77.6%	4332	652
16-Apr-21	\$2,255.0 Billion	51.4%	72.58%	4701	783
*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.

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

Some interesting changes happened this month. First, there are now 4,701 coins listed and CoinMarketCap.com says there actually are over 9,000 coins. The site now lists 783 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. Both the dominance of BTC and of the top 5 cryptos has gone down significantly since last month.

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 buzzwords in the near future.

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 even fell out of the top 500.

We are now following 242 coins in our crypto model where only 8 cryptos are in bear territory and another 12 are neural. Now that is market dominance for the bulls.

And here are the top 20.

Best to Worst			
1	NEXO	Nexo	3.40
2	KCS	KuCoin Token	3.27
3	ENJ	Enjin Coin	3.16
4	MATIC	Polygon	3.08
5	ONE	Harmony	3.08
6	ANKR	Ankr	3.06
7	SYS	Syscoin	3.03
8	FTT	FTX Token	3.02
9	TFUEL	Theta Fuel	2.99
10	MANA	Decentraland	2.98
11	VLX	Velas	2.92
12	LUNA	Terra	2.88
13	RUNE	THORChain	2.81
14	BNB	Binance Coin	2.80
15	DENT	Dent	2.78
16	CELR	Celer Network	2.78
17	FTM	Fantom	2.77
18	BTG	Bitcoin Gold	2.77
19	DUSK	Dusk Network	2.74
20	XHV	Haven Protocol	2.73

Most of the coins below 0.18 SQN are stable coins are based upon the price of gold.

Worst To Best			
1	PAXG	PAX Gold	-1.27
2	GT	GateToken	-1.01
3	HNS	Handshake	-0.94
4	VITAE	Vitae	-0.81
5	ICN	#N/A	-0.69
6	GAME	GameCredits	-0.25
7	EURS	STASIS EURO	-0.20
8	HEDG	HedgeTrade	-0.13
9	USDT	Tether	0.03
10	TUSD	TrueUSD	0.07
11	BUSD	Binance USD	0.08
12	PAX	Paxos Standard	0.08
13	USDC	USD Coin	0.09
14	ABBC	ABBC Coin	0.15
15	DAI	Dai	0.18
16	IOTA	#N/A	0.22
17	HC	HyperCash	0.38
18	CEL	Celsius	0.53
19	AMPL	Ampleforth	0.54
20	PNK	Kleros	0.65

Count Stats	Count	
Very Bullish	2	1.7%
Bullish	18.00	15.7%
Neutral	29.00	25.2%
Bearish	51.00	44.3%
Very Bearish	15.00	13.0%
Total:	115	

Nov 2020

Count Stats	Count	
Very Bullish	13	5.4%
Bullish	45	18.7%
Neutral	77	32.0%
Bearish	91	37.8%
Very Bearish	15	6.2%
Total:	241	

Dec 2020

Count Stats	Count	
Very Bullish	27	11.2%
Bullish	78	32.4%
Neutral	58	24.1%
Bearish	49	20.3%
Very Bearish	29	12.0%
Total:	241	

Jan 2021

Count Stats	Count	
Very Bullish	108	44.8%
Bullish	69	28.6%
Neutral	29	12.0%
Bearish	27	11.2%
Very Bearish	8	3.3%
Total:	241	

Feb 2021

Count Stats	Count	
Very Bullish	111	46.1%
Bullish	84	34.9%
Neutral	21	8.7%
Bearish	18	7.5%
Very Bearish	7	2.9%
Total:	241	

Mar 2021

Count Stats	Count	
Very Bullish	191	78.9%
Bullish	31	12.8%
Neutral	12	5.0%
Bearish	4	1.7%
Very Bearish	4	1.7%
Total:	242	

April 2021

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, DOGE is 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. He might have been joking about DOGE but I don't trust people who get sued (repeatedly) for tweets that impact the price of their company's stock (Tesla). Right now, DOGE is up 3,237% for 2021 because it's the only coin that interests young people. It's based upon a meme and has no value except that some people think it's real and important.

The data below shows the top-performing cryptos that of those we tracked. Top-performing means over 1000% so far this year (in 3.5 months). We'll be discussing these in the Super Trader Exclusive Crypto Workshop next week.

Symbol	Name	Percent Gain in 2021	Market Cap
CRV	Curve DAO Token	13,633.45	#95
ONE	Harmony	3,490.70	#83
CAKE	PancakeSwap	3,477.93	#44
DOGE	Dogecoin	3,237.50	#5
VGX	Voyager Token	2,834.88	#100
BTT	BitTorrent	2,666.67	#33
FTM	Fantom	2,521.05	#92
LUNA	Terra	2,510.48	#27
CHZ	Chiliz	2,500.00	#38
MATIC	Polygon	2,258.51	#61
ENJ	Enjoins Coin	2,246.24	#56
NPXS	Pundits X[old]	2,150.00	#98
REV	Retain	2,011.52	#94
RVN	Ravencoin	1,622.31	#74
SOL	Solana	1,416.89	#23
MANA	Decentraland	1,374.61	#68
BNB	Binance Coin	1,336.56	#3
IOST	IOST	1,287.93	#87
HBAR	Hedera Hashgraph	1,057.10	#53
RUNE	THORChain	1,035.96	#47
HNT	Helium	1,033.15	#88

22 coins so far have a percentage gain of over 1000% for 2021. Last month the top ten coins were up by 1,250% or more in 2021. I own 9 of the coins on the list above – and I would probably own a lot more if US citizens were permitted to own them. I highlighted the Dogecoin line - that means to avoid it at all costs.

BTC was up 92.7% in 2019, 305.94% in 2020, and in the fourteen weeks of 2021, it's up 116%. 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 9.8% so far in 2021.

Gold has not been a path to safety during the pandemic. Now with Biden as president and the possibility of even more government spending, the path of safety is 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 th)	305.94%
2015	37.86%	2021	116.2%

People talk about BTC being volatile and risky. Where can you find something that has made over 1,000% in 3 of the last 12 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. BTC will probably pass \$100,000 this year (my belief – not a recommendation or a prediction) but the real stars will be the other crypto assets (again my belief).

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 use 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. 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 two trillion for the first time). If all of the money in gold went into BTC, the price for a single BTC would be about \$370,000.

If you had bought BTC at the beginning of 2012 (which was not the very beginning), you would have turned \$1,000 into more than \$12.36 million (it was up to \$4.5M only three months ago month). Our Super Trader BTC system has had only three losing trades and has outperformed buy and hold. The system entered its last position on May 6th at \$9,156.06. The current position is up 590% and is outperforming buy and hold – if you don't count the impact of taxes.

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 look how that runup compares with the current price.

All Data



Cryptocurrency News:

- On March 12th / March 13th, 2020, BTC hit a low for the year of \$3,800. On April 14, 2021, it hit a new high of \$64,863. That's a gain of over 1,600% in a 13-month period. And you prefer gold, silver, or even Tesla? Over a year, BTC's gain is actually quite small compared to what some altcoins have done in just 106 days in 2021.
- The 2020 Spring bailout led to a huge number of deposits at crypto exchanges. The US just passed another \$1.9 trillion stimulus bill. 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 could be officially devalued by over 30%. But gold is doing nothing. Is that a sign that the prediction is just newsletter hype or is it a sign that gold is no longer a disaster hedge? Or is it both?
- PayPal and Square are now buying enough BTC to account for all the newly mined BTC each month.
- Coinbase just went public, reaching as high as \$439 on its opening day. It's now \$342. That puts its valuation is about to go public as a NASDAQ company and the valuation at \$86 billion. What will Coinbase do with that money?

- MicroStrategy, which is a business analytics platform, adopted BTC as its primary reserve asset. In February 2021, it purchased 295 BTC and now holds 71,079 BTC in reserve (worth over \$3 Billion). It has been trying to get other companies interested in using BTC as a reserve and actively encouraging the strategy.
- Part of the run-up to new highs was because MicroStrategy acquired another 262 BTCs last month at an average price of \$57,146. Many investors now own MSTR simply because of its BTC holdings.
- 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 commented first on how much Tesla made through BTC and then Bloomberg talked about how much it had lost in the crash. I doubt 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.
- Tesla and MicroStrategy are the two most notable companies to put their cash into BTC. But what if everyone else decides to do the same. Institutional FOMO will have a much bigger impact than individual FOMO. Wait for it.
- The US CFTC is looking at the Binance.US exchange because it feels that Binance is selling derivatives to US citizens without a license. BNB fell 10% on the news but then recovered. Binance.US claims it hasn't broken any laws. Meanwhile, other countries said that Ripple was not a security but that didn't prevent the SEC from attacking XRP as a security.
- Grayscale is having problems because it can't get enough 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 – a common arbitrage strategy for a lot of people. Qualified investors who had brought \$50,000 increments of BTC into Grayscale were locked in – until January 2021. 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 \$65,000, GBTC has been selling at a discount of 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. Imagine, BTC hits new highs and GBTC continues to sell at a discount.
- 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 those get back to a 20% premium. Perhaps there is a good arbitrage opportunity here but if GBTC goes up with BTC and maintains its 10% discount, then you'd be losing more money with each up movement compared to holding BTC. Grayscale has said its goal is to convert GBTC into an ETF, but that, of course, depends upon the SEC.
- Meanwhile, there is a new BTC trust called OBTC which has much lower fees than Grayscale's fund and a very small premium.
- Some of the BTC miners are looking to form public companies. If they do, then they will be keeping whatever coins they mine and that will limit supply even more.

- Canada approved two ETH ETFs in one day. Meanwhile, the US doesn't even have one BTC ETF.
- Turkey has decided to ban BTC and India is likely to do so.
- At one point the most exciting company for cryptocurrencies was Galaxy Digital Resources. It's a venture capital firm that has its fingers into many (if not most) of the new crypto deposits. It had record earnings in the 4th quarter of 2020 and the company announced that it was surging even more in 2021. It was an early investor in Coinbase. It trades under the bulletin board symbol BRPHF on US exchanges and it trades at GLCY.TO on the Toronto exchange.
- Binance just did its 15th burn of their BNB currency. Binance's CEO CZ announced that the burn was over on April 15th. "Burn" means coins just disappear. This last burn was for 1,099,888 BNB worth \$595 million. That previous one was when BNB was at \$45.80 and they burned 3.619M BNB. This is an obvious way to make the value of a crypto go up. In their 15 burns, they have blown up about 14% of the supply of BNB.

#	BNB Burned	% of supply	USD Value	BNB Price
1	986,000	0.49%	1,500,000	\$ 1.50
2	1,821,586	0.91%	40,300,000	\$21.96
3	2,220,314	1.11%	30,000,000	\$13.52
4	2,528,767	1.26%	33,200,000	\$12.93
5	1,643,986	0.82%	16,200,000	\$10.34
6	1,623,818	0.81%	10,000,000	\$ 5.83
7	829,888	0.41%	15,600,000	\$18.79
8	808,888	0.43%	23,838,000	\$29.47
9	2,061,888	1.10%	36,700,000	\$17.79
10	2,216,888	1.11%	38,000,000	\$17.50
11	3,373,988	1.69%	52,466,000	\$15.55
12	3,477,388	1.74%	60,500,000	\$17.40
13	2,253,888	1.13%	68,000,000	\$30.20
14	3,619,888	1.81%	165,791,000	\$45.80
15	1,099,888	0.65%	595,314,380	\$541.25

Figure 1 -- binance.com/en/blog/42139982468901944

- BNB might be a stronger currency than BTC. It's used to pay transaction fees on Binance.com, Binance DEX, Binance Chain, and BDX. And it's used on multiple DeFi platforms built on BSC that provide financial payment solutions. They have had constant building by the community and the team over the last 3.5 years. There is a huge growth in DeFi and other types of projects on the Binance Smart chain (BSC). BSC reached as high as 4.9 million daily transactions as of April 8th and that's about 3 times higher than the ETH's all-time high in daily transactions. Over 450 projects have been built on the BDC. Even the COIN IPO helped BNB. Unfortunately, I have sold a lot of my BNB position.
- It took the crypto market eleven years to reach \$1 trillion in market cap. Then it took one quarter to add another \$1T.
- I will repeat my belief that cryptoassets are the opportunity of a lifetime for those who know what they are doing and know how to avoid major mistakes that most people will make. And it's hardly over.
- Our next Super Trader Exclusive Crypto workshop is coming up next week. If you are in the STF program, you had to complete the Definitive Guide to Position Sizing Strategies test by April 19th to qualify to attend.
- After I wrote this article late last week, cryptos fell 10-12% over the weekend. I've noticed that this is a common weekend occurrence. For example, I'd hold a position in GBTC which I can only trade during US market hours, but during the weekend there would be huge fluctuations in the price of BTC. This Monday, I read: Exchanges offering crypto futures liquidated \$10 billion worth of positions on Sunday, toppling the previous market-wide record of \$5.77 billion registered on Feb. 23, according to data provider Bybt.
- Forced closure of long positions or bullish trades accounted for \$9.26 billion or over 90% of total liquidations, which shows that the leverage was excessively skewed bullish across the board. Bitcoin futures accounted for more than 50% of total market-wide liquidations on Sunday. Liquidations happen when trades cannot fulfill margin requirements for holding long/short positions and often exacerbate bullish/bearish moves.
- In my opinion, this drop could represent another good buying opportunity. Someone wants to buy a lot of BTC, and they notice how big the futures market was so they dropped the price enough to force them to sell. If the low from last weekend holds, then this might be the case. If the price keeps falling, then perhaps something else is going on.

This newsletter does not make recommendations but is designed as a free educational service to the VTI community. I state some of my beliefs about crypto assets in this article but none of it is any kind of recommendation for anyone else. I personally own positions in most of the cryptos and trusts mentioned in this newsletter. In addition, I have substantial cryptocurrency positions in many of the top 100 cryptos by market cap and probably nearly everything mentioned in this newsletter. The VTI trading account has positions in ETHE and GBTC and OBTC and BRPHF.

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