

100 reasons why Bitcoin will reach \$1 million

The Trade of the Decade



tradingtools.net

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After a decade wondering whether BTC would survive, crash to zero, be banned, hacked or lose n° 1 spot, no one can deny we're past that phase.

BTC is more relevant than ever, institutions are gradually onboarding this truly superior asset, and it is set to transform the world. Nations states have even started adopting.

It is a breakthrough technological feat with an adoption curve greater than the internet, with immense room to grow.

In this paper, I'm going over the 100 reasons why BTC is going to reach \$1 million.

When anyone asks you about Bitcoin, just give them this list. To make it easy to read offline and share, I've also made it as a pdf (and no, I won't collect your email for that). If you want to thank me, hey just [buy me a coffee](#).

All right, let's jump in.

BTC was first mover, it has mythical status

1. Bitcoin was the first mover in the blockchain/crypto space, that's an enviable place. It remains the most recognized network and stands out over all other digital assets
2. Created as an answer to the 2008 great financial crisis by the mysterious Satoshi Nakamoto, it preserves a kind of mythical status (and boy do we humans love myths)

It is an answer to the dwindling Fiat system, plagued by money printing and excess debt

3. The value of FIAT currencies (\$,€, £, ¥,...) is threatened by the massive and constant inflation in their supply, and the seemingly unlimited money printing seen in recent years
4. There's a growing mistrust in the Central Banks' and Government's roles around money
5. The US FED's balance sheet is 35% of GDP (probably higher when you read this). There is just too much debt everywhere
6. With the dollar weaponization, the Fiat system is going to transition from a world where 60% of the world's foreign currency reserves are in USD to a more fragmented one. New forms of reserves will slowly emerge, BTC is uniquely positioned
7. With 7% inflation, the half life of money is 10 years. That's the time it takes for it to lose 50% of its value

Bitcoin is a technological marvel, robust and totally decentralized

8. It is the first purely peer to peer electronic cash system, as outlined in its [white paper](#). It makes it possible to transact digitally without any intermediary
9. BTC has never been hacked or broken since it was created in 2009, the code is constantly reviewed by the entire network
10. Bitcoin is totally decentralized, it does not rely on any single entity. No single person, corporation or government owns or controls the network, it runs on open source code
11. It continues to show increasing decentralization as the number of holders has become more distributed, active wallets continue to grow, and mining pools are more fragmented and competitive
12. Anyone trying to change the rules of the Bitcoin network must get a consensus of enough of the participants or will be excluded. A hacker would need to hack more than half (51%) of the participating computers and nodes, now virtually impossible
13. Bitcoin is censorship resistant, it cannot be shut down or turned off, actors or governments have tried and all failed, the BTC chain has been working without interruption for over 10 years
14. The Taproot upgrade took place early 2022. With Schnorr signatures, it will increase the privacy and efficiency of Bitcoin transactions, making them more efficient in speed and cost
15. The Lightning Network, a second layer payment protocol built on Bitcoin, is making it more scalable and fast, making off-chain transactions possible
16. With Lightning, instant payments with Bitcoin become possible, at very low cost (enabling micropayments) and even cross Blockchains

Its built-in scarcity makes BTC's value, it is also highly divisible

17. The code has a built-in scarcity of 21 million coins. That cannot be changed or tampered, and this scarcity is the main reason investors attribute value to Bitcoin
18. A good portion of the 21 million coins has been lost forever, and analysts say around 1,500 are lost everyday, so it's likely that less than 14 million coins will ever circulate. About 28% of all Bitcoin are thought to have been irretrievably lost
19. There were 56.1 million millionaires in the world in 2021, so there just not enough Bitcoin for every millionaire to own even half a Bitcoin
20. Mining difficulty increases in a 4 year halving cycle, cutting growth rate in half each time
21. Bitcoin is divisible to the eight digit, the smallest unit being a satoshi. There are one hundred million (100,000,000) satoshis in one Bitcoin, and you can buy a tiny fraction of Bitcoin. So there's enough for everyone, and when Bitcoin's price will be expressed per satoshi that could have a massive psychological effect

Bitcoin is a better store of value than gold

22. Bitcoin is easier to buy, store and move around than Gold (which has a high value to weight ratio)
23. It is more divisible and can be used in standard transactions, contrary to gold
24. Gold and Fiat can be counterfeited, Bitcoin cannot. Gold can be verified, but only after a complex process
25. Bitcoin is also scarcer than gold, because the growth grate in the supply of gold is constant while Bitcoin's is decreasing
26. The price appreciation of Bitcoin since 2013 beats that of gold many times, with 5 digit percentages for BTC versus low 2 digits for Gold.

Terra (Luna) is adopting Bitcoin to back UST

27. Luna Foundation Guard plans to accumulate \$10 billion in BTC as a reserve for TerraUSD (UST),
28. They are pivoting their algorithmic stablecoin by creating a reserve backstop. Massive purchases have started at a rate of \$125m per day

An incredibly bullish supply / demand imbalance: Metcalfe's law, Stock-to-flow

29. Adoption still has massive room to grow, with currently only around 200 million wallets
30. Internet vs Bitcoin adoption points to around 1 billion wallets in 2027, a 5x from here
31. Plan B 's [stock-to-flow](#) model projects the built-in scarcity's impact on price. It has proved accurate to this day
32. According to Metcalfe's law, the value of a network grows exponentially as the number of its users grows. In BTC's case, the number of active wallet addresses is growing along an exponential s-curve comparable or steeper than the internet adoption curve
33. Monetary networks are even more powerful than traditional networks because of the incentive to use the right money
34. With 900 Bitcoin created a day and demand for 4,000, we're going to start seeing gap pricing in terms of price discovery

An asset for the unbanked and oppressed, a great remittance accelerator

35. Bitcoin cannot be seized, coins cannot be taken away from their owner or confiscated. That means a lot if you're a citizen of an authoritarian state or a refugee, ask the Ukrainians
36. For populations living in countries with hyperinflation (Venezuela, Argentina, Zimbabwe,...), BTC is one of the only ways to own non depreciating assets (over the long run).
37. It makes so much sense for people whose money is being debased with no protection of their purchasing power. BTC can put power back in their hands. Once people become aware of it, the adoption curve will go parabolic
38. BTC can help bank between 1 and 2 billion unbanked people on the planet
39. It is helping people take back control of money from the Government and could become a reserve currency everybody will want to own. It takes away the ability to print money
40. BTC is an automated Central Bank, operating on transparent software, it is fully auditable and verifiable
41. Bitcoin enables much faster and cheaper cross border remittances across the world. The World Bank estimates the annual flow of remittances to be around \$589 billion. Bitcoin could ultimately capture 50% of the world's remittances, representing a \$0.3 billion market cap

Nation States adoption has started, US states and major cities are coming

42. El Salvador was the first country in the world to make Bitcoin legal tender in Sep-21. As of December 2021 it had purchased 1,391 Bitcoin and an estimated 3.8 million people use El Salvador's Bitcoin wallet called *Chivo*. That's an 84% adoption rate among the eligible population
43. Other countries could follow (Paraguay, Venezuela, Panama, ...)
44. US states such as Arizona are studying bills that could make Bitcoin legal tender. Check Coinbase's [United States of Crypto](#)
45. Florida Governor Ron de Santis has directed that accepting Bitcoin for tax payment should be explored

The war on Ukraine has accelerated Bitcoin's use case, we're at a turning point

46. Ukrainian refugees have been able to flee their country with part of their savings thanks to the portability and ubiquitousness of Bitcoin. See this [story](#) of a refugee that fled to Poland with \$2000 Bitcoin in a USB drive
47. Tens of millions of dollars worth of crypto have been funnelled to Ukraine for relief funds and aid
48. Russia has recently said it will accept BTC for its oil and gas exports payments
49. Sanctions against Russia will force many countries to reconsider their export payment options and see the benefit of using BTC versus other currencies such as USD.

Owning Bitcoin makes sense for any investor. Young generations are driving adoption

50. Any investor wanting to participate in the digital asset revolution can allocate a small position of his/her portfolio to the the best store of value in the space
51. Bitcoin is the most secure, liquid and decentralized cryptocurrency to invest in. It is a fungible synthetic asset that you can use to build a balance sheet and take anywhere. It doesn't degrade and the maintenance cost is close to zero
52. There could be a winner take all scenario for Bitcoin as it grows in adoption, security and overall usage. There is no real point in any other coin to replicate what Bitcoin has already created
53. Generations X, Y or Z, millenials are native crypto adopters, they have no issue in owning digital assets (NFTs,,...)

The Lindy Effect and the Blockchain Trilemma give BTC and edge over altcoins

54. The Lindy Effect stipulates that the longer a nonperishable good has been in existence, the greater its life expectancy becomes. Another edge for Bitcoin versus other altcoins
55. Vitalik Buterin, the founder of Ethereum, famously articulated the Blockchain Trilemma: a decentralized database (such as Bitcoin) can only deliver on two of three promises at one time: decentralization, security, or scalability. Any coin that would come to improve Bitcoin on scalability would have to fail on decentralization or security, the two characteristics the market values most in a payment system.

Bitcoin is seeing growing institutional adoption

56. Institutions are getting in massively, if in doubt just read the « [Bitcoin First](#) » report from [Fidelity](#), one of the world's largest and most trusted wealth managers
57. Several large companies have started adding Bitcoin to their Balance Sheets: Microstrategy, Tesla, Block, Galaxy Digital, Voyager Digital, Coinbase. More will come.
58. Every month new institutions give signs of growing adoption in some form or another: Morgan Stanley has a \$500 million stake in Microstrategy, a proxy for Bitcoin adoption (and sometimes trading at an interesting discount)
59. Goldman Sachs now has [Digital Assets content](#) on their website
60. The next category of institutions to flock to Bitcoin will be sovereign funds (UAE, Saudi Arabia, Norway, Switzerland are likely to be the next adopters). They often see Bitcoin as another tech investment
61. As per Ark Invest, ETPs, countries and corporations held 8% of Bitcoins supply as of November 2021, representing close to \$90 billion

The tokenomics: what we're seeing on-chain and price action

62. The amount of BTC on exchanges keeps dropping, as holders are moving their coins to cold storage. Bitcoin continues to be pulled off exchanges
63. Total addresses with balances keep breaking new highs (above 40m now)
64. On-chain data shows that Long term hodlers just keep Dollar Cost Averaging (DCA) no matter what
65. Long-term investors hold 13.5 million Bitcoin in 2021, with 500,000 addresses showing long term holding behavior while Short-term holders are getting less and less (approx 17%)
66. Holders with 1 to 10 BTC are growing fast
67. Time held is increasing, holders since 1 year+ is hitting above 25m addresses
68. All the metrics point to a massive supply crunch coming up, the only question is when
69. Volatility corrections on the price of Bitcoin are getting less and less steep. We used to have 80 to 90% corrections, they are now closer to 30%. Bitcoin is starting to behave like an asset class where we'll see 10 to 20% corrections
70. Bitcoin is taking market share as a global settlement Network. In 2021, there was more money settled on Bitcoin than Visa (over \$13 trillion). Bitcoin is proving very good at moving large sums of money
71. The Sharpe ratio of Bitcoin is about 1 and $\frac{1}{4}$, the same as a 60/40 stocks to bonds portfolio. This ratio basically divides the return of an asset by the volatility

Tip: check Bitcoin metrics free at [Looking Into Bitcoin](#)

Regulation, Spot ETFs and Crypto Custody are moving in the right direction

72. It is now unlikely that Bitcoin will be banned in the US. Joe Biden's Executive Order signed in March 2022 is a major step towards adoption, regulation and opening of opportunities to secure US leadership in the digital asset space
73. The approval of a spot Bitcoin ETF is likely in 2022, it will be an immense catalyst for further adoption and a huge accelerator. Gary Gensler the SEC chair made recent positive comments and 2 or 3 could come before Jun 2022
74. Big players are starting to offer cryptocurrency custody, a key enabler of institutional adoption. [Coinbase acquired Xapo](#), the world's largest crypto custodian
75. The EU scrapped the legislative provision that would have banned proof of work mining (March-22 MiCA bill)

Listen to what the big guys are saying

76. Jurien Timmer, head of Global Macro at Fidelity, calls it the [most unique asset class he has ever seen](#)
77. Ray Dalio has said his hedge fund [Bridgewater was now on the verge of backing a crypto fund](#)
78. Bill Gross, the legendary King of Bonds has flipped his stance and is now [invested](#)
79. Michael Saylor has made one of the boldest bets of all. As a fervent Bitcoin maximalist, he has put his money where his mouth is and invested close to \$3.8 billion of his firm Microstrategy's funds in purchasing over 125,000 Bitcoin. That could well turn out to be the bravest, most visionary and rewarding corporate bets in history. His personal holdings of BTC are close to \$800 billion.
80. Elon Musk has bought [\\$2bn worth of Bitcoin for Tesla](#) and said he personally owns only three coins: Bitcoin, Ether and Doge
81. Cathie Woods (Ark Invest founder) has long been a crypto believer. In a report, Ark explains why [Bitcoin could exceed \\$1m by 2030](#)
82. Mark Cuban calls Bitcoin the [Safe Haven of Crypto](#), a better store of value than gold
83. Raoul Pal: « [I had a holy shit moment: Bitcoin will be worth \\$1m dollars](#) ». Check the countless videos and interviews he has made, most notably this one with the Winklevoss twins "[Bitcoin is the Trade of the Decade](#)"
84. Kevin O'Leary talked about [Bitcoin going to \\$1,000,000 dollars](#) on Meet Kevin
85. Stan Druckenmiller, one of the world's most famous investors says the best investors make large concentrated bets in high conviction plays. In May 2021, he gave an interview explaining how another legend, Paul Tudor Jones, told him about Bitcoin and got him into it, buying \$20 million of it at \$6,500
86. Max Keiser, editor of the Keiser Report, started having an interest in 2013. His forecast for 2022 is a \$200K coin by October / November
87. Roy Niederhoffer, head of the RG Niederhoffer Capital Management (a hedge fund), even has a scenario where Bitcoin could hit \$500 million, which is a 10,000 X from here. That's if iBitcoin becomes the world's reserve currency

The ESG debate and environmental concerns

88. Miners are increasingly using alternative sources of energy to mine Bitcoin (eg. waster flare gas)
89. The [Bitcoin Mining Council](#) has been set up to counter misinformation around Bitcoin's energy usage. Its 2021 [report](#) outlined that:
 1. Bitcoin mining uses a inconsequential amount of energy (0,12% of the world's energy production)
 2. It is rapidly becoming more efficient
 3. Bitcoin mining is also power by a high mix of sustainable energy than any major country or industry (57.7% of global BTC mining is done via a sustainable energy power mix in Q3 2021, and the trend is increasing fast)
90. Bitcoin mining is a lot less energy intensive than gold mining, and no one complains about the energy usage of gold mining
91. Mining also encourages the generation of energy from renewable carbon free resources, and energy asset owners could become BTC miners

China's ban has only made Bitcoin stronger

92. With the China ban on crypto, we have seen a huge migration in BTC hashrate: from around 75% of mining in China before the ban (making BTC de facto vulnerable to geopolitical events), China went down to roughly zero while the US rose from 4% to around 35%
93. The Bitcoin network is more politically stable after the ban, because the risk of China nationalizing miners is gone
94. Banning Bitcoin is a fool's errand. If you apply the [prisoner's dilemma](#) to the Bitcoin ban, Bitcoin wins in every case. When one country bans it, another country will welcome it and capital and people will flock to that
95. Bitcoin is totalitarian states' worst nightmare, as it stands for individual rights and freedom

Bitcoin reaches the \$1m price point at 3% of global investment assets

96. BTC has been compounding at a rate of around 150% per year since inception
97. The Stock to Flow model includes a valuation of BTC that could reach \$1m around 2026, basically after the next two halvings
98. Another way to do the math to a \$1million BTC is by looking at its share of investment assets:
 1. There are roughly \$700 trillion global “investment assets” in the world
 2. Bonds are \$137Tn, Stocks \$117Tn, Real Estate \$290Tn, Art & collectibles \$22Tn, Gold \$10Tn, M2 Money & cost savings etc.. \$130Tn => TOTAL \$706Tn
 3. At \$42k per coin, BTC’s market value is around \$900Bn, or 0,13% of global assets
 4. With adoption growing fast, we are seeing significant inflows from the above investment assets to Bitcoin
 5. If BTC reaches 1% of global assets, that puts it at \$7Tn market cap and a \$337k per coin
 6. If it reaches 2%, that’s \$14Tn market cap and \$667k per coin
 7. And at 3% of global assets, you reach \$21Tn and a \$1m Bitcoin price
 8. **3% of global assets to an asset that can’t be debased and that no one controls is a likely scenario over a 10 to 15 year time horizon**
99. Another way to reach \$1m is if global assets just keep growing, then no need to reach 3%
100. In its [Big Ideas 2022 report](#), Ark Invest says Bitcoin price could exceed \$1 million by 2030. Network upgrades along with rising adoption by countries and institutions are the main factors behind that assumption. It “offers one of the most compelling risk-reward profiles among assets” and “capital allocators must consider the opportunity cost that will be associated with ignoring Bitcoin as a new asset class”. The report actually projects a \$1.36 million value per Bitcoin in 2030.

That’s it for the 100 reasons why Bitcoin will reach \$1 million. Making it the trade of the decade.

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