Twitter Thread by Neil Woodfine

Neil Woodfine
@nwoodfine

1/ My prediction for the 2021 bitcoin bull run:

i. Price hits a minimum $100k+ peak.
ii. Western governments introduce unprecedented emergency regulations, such as withdrawal bans, turning off the buy button, and investor restrictions...

> Utter disbelief.pic.twitter.com/vTozanWij8
>
> — \U0001f7e0Dylan-BTCization\U0001f7e0 (@BTCization) February 9, 2021

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...
iii. Price dumps, most of the new corporate investors panic sell.
iv. Repeat the usual halvening cycle, as hodlers of last resort hold the line at a higher low and the industry adapts, evolves, routes around the new regulations. Life, uh, finds a way.



3/ Some have likened Tesla's entry into bitcoin as a watershed moment of bitcoin finally mainstreaming. Well, with the mainstreaming, the real games begin, and bitcoin's proper enemies (not amateur-hour big blockers) rear their ugly, fanged heads.

4/ It's easy to argue against the idea of governments crudely banning bitcoin. But this distracts from the other measures they are likely to attempt to contain or coopt the thing.

A full ban in some places is still possible, but the policies are probably going to be more crafty.

5/ GameStop & Robinhood established a clear precedent:
a) When the establishment is threatened, it will react in extreme ways to protect its interests, and,
b) Corporates are highly compliant and will act against their own best interests to stay in business.

6/ NgU + corporate holders of bitcoin offer little protection for bitcoin against totalitatian regulation.

Most incumbent big businesses around the world are falling over themselves to do as they're told. They also hold their bitcoin in custody. Their nuts are in the vice.

7/ The idea that the next bear market can not be as cataclysmic as 2014 or 2018, because the corporate adults are here now, is wrong. https://t.co/QEARjZQt0i

> 7/ It takes time to get bitcoin, to understand the long-term hodler mentality. Some longer than others. The institutions which are used to getting ahead thanks to their regulatory moats and cheap-money fiat connections are going to be in the longer category. pic.twitter.com/vgWBggbdBy
>
> — Neil Woodfine (@nwoodfine) November 17, 2020

8/ Assuming some high-profile announcements from global regulators, and bitcoin making moves down ~$10k a day, it's very easy to imagine a string of public announcements from corporates announcing the liquidation of their holdings.

Most were only in it for the pump anyway.

9/ My expectation is that this bitcoin revolution is going to be advanced, defended, and completed by bitcoiners and bitcoiners only.

The big businesses of the post-hyperbitcoinization future will have mostly emerged from bitcoin's roots, in alignment with bitcoin's values.

10/ Although existing big businesses have a lot to gain from bitcoin adoption, they have everything to lose from regulator interventions—which take place both in public...and behind closed doors.

Bitcoin upstarts, on the other hand, have nothing to lose and everything to gain.

11/ There will be many good bitcoiner converts this bull cycle—driven by both a budding interest in financial freedom and some simple, pragmatic greed—but most others will fold to the new rules and falling price like a wet paper bag.

12/ So, once again, people need to make peace with seeing their bitcoin wealth to go up *a lot*, then down *a lot*, all in the near future.

But that's not so gloomy, it's exactly what we saw 2013-2014 and 2017-2018. And the bear markets are anything but boring.

14/ If anything, this upcoming bear market should be plenty exciting. The stakes will be higher. Real pressure will be on from the House of Fiat (and the bitcoin obituaries will be out in full force). A more resilient industry will necessarily emerge.

15/ Bitcoiners will quickly get creative with the technology (more peer-to-peer, more private, more censorship resistant, less custodial) and with jurisdictional arbitrage.

Readying bitcoin's infrastructure for the next—possibly the last—bitcoin bull run of 2025.