Twitter Thread by David Puell



David Puell
@kenoshaking

$BTC: Two Bitcoin FUDs to address this Thanksgiving weekend:

1. China PlusToken FUD: Old news. Please see linked thread.

2. U.S. Treasury FUD: Read thread below...

> $BTC:
>
> 1/ So here's the deal with all the PlusToken news we've been seeing recently in the crypto media. Thing is, tho it's just being reported now after the Chinese government put out official balances, @ErgoBTC blew this story open for the on-chain community over a year ago... https://t.co/epNjZaNcJ1
>
> — David Puell (@kenoshaking) November 27, 2020

1/ These news are much more relevant, as they imply severe trade-offs for people who want to keep their bitcoins undoxxed, with the cost and risks of doing so. I would not disqualify the tweet as mere FUD in the sense that what he posted is false. It should be taken seriously.

2/ For all we know, his decision of making it public before TG weekend may come out of the urgency of informing CT of a poignant anti-Bitcoin move by a Trump administration trying to cut lose ends before leaving office—not just "price manipulation" as I've seen suggested around.

3/ It implies the acceleration of a process already planned for for months in advance, not something he just came up with to "crash the market."

4/ In practicality, assuming this passes, it will have two major consencuences:

a. Armstrong's analysis is correct. And I would go further in saying, this regulation would leave the U.S. severely handicapped to continue to be the leader in the cryptocurrency industry worldwide.

5/ b. It would bifurcate major market actors into two camps. For the sake of simplicity, I´ll call the former the "Conservationsists" and the latter the "Integrationists."

6/ Conservationists are mostly old Bitcoin money, big early-adopter HODLers who believe in Bitcoin's value proposition as a whole, including scarcity, pseudonymity, untraceableness, and unconfiscatableness.

7/ Integrationists are mostly new Bitcoin money, insitutions and HNWIs who value only Bitcoin's scarcity and its capacity to accrue value over time. They also believe that BTC needs to be integrated into the legacy financial system.

8/ Frankly...

The former see the value of Bitcoin as a mechanism to protect individuals against government overreach, as well as save and invest their property in a permissionless manner.

9/ The latter would like to see it taxed to build roads, it seems. They like ETFs and already protect their investments within safe haven jurisdictions.

10/ What does this mean for price direction long-term? In my opinion nothing changes...

Conservationists will continue to HODL (with the added incentive of keeping their coins burried for no-one to find, so even less sell pressure there).

11/ Integrationists will see this as expected or needed or "a trade-off" and continue to buy and hold.

12/ What does this mean in terms of narrative in public debate?

Privacy and ownsership, even more so than price, will be the most contested subjects in Bitcoin in the next few years.

13/ To clearify, a lot of people don't neatly fall in either of camps. Some are apathetic, undecided, a certain mix of both. Also, let's not confuse all major players with insitutional or legacy pedigree as Integrationists:

14/ Jack Dorsey, Cathie Wood, and Michael Saylor, for example, don't strike me as Integrationists at all, as they have supported Bitcoin's entire value proposition in the past. Notice how two of them are also OGs.

15/ I'll leave examples of Integrationists diguised as Conservastionists for you to come up with...

Fin/ In summary, the fundamentals remain the same, so in my view even if we continue correcting ($14k, 12k, or whatever), the cause would be simply out of major market actors taking profits with the aim to buy cheaper.