Twitter Thread by John Street Capital



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0/ It's been a big 2 weeks for $BTC as it hits a new ATH, $MSTR completes a $650M convert, Mass Mutual invests $100M, Ruffer Management buys $745M, Jeffries recommends a 5% allocation, Guggenheim's CIO gives a $400K PT, OneRiver, FinCen rules better than feared & Coinbase S1

1/ $MSTR completed a $650M convertible bond offering at 0.75% with the intent to purchase $BTC (and per @michael_saylor) it looks like they completed that buy. Since first announcing their $BTC purchase in mid-August the stocks +143% (with BTC over 2.0x during that time)

2/ Mass Mutual with its ~$235B general investment account purchased $100M of $BTC through NYDIG (after making an equity investment alongside @BessemerVP & $MS).

3/ Ruffer Management a ~$27B asset manager bought $750M of $BTC to equate to ~2.5% of the portfolio:

"We see this BTC investment as a small but potent insurance policy against the continuing devaluation of the world's major currencies,"

4/ Jefferies Christopher Wood amended his long-only asset allocation recommendation for pension funds cutting gold to 45% from 50% and initiating a 5% position in $BTC.

Exhibit 4: Recommended long-only asset allocation for US-dollar-based pension funds

Weight (%)	Investment type
45%	Physical gold bullion
30%	Asia ex-Japan equities, weighted according to the long-only thematic portfolio
20%	Unhedged gold mining stocks
5%	Bitcoin

Source: Jefferies

5/ Guggenheim CIO Scott Minerd claimed that the firms "fundamental work" shows $BTC should be worth ~$400,000.

"Bitcoin has a lot of the attributes of gold and at the same time has an unusual value in terms of transactions," Minerd told Bloomberg TV.

6/ OneRiver & Eric Peters aims to own ~$1.0B of $BTC & $ETH in early '21 and has reportedly acquired in excess of $600M already with the backing of Alan Howard.

7/ For the past few weeks the crypto community was worried about rules that would come out of FinCen & @stevenmnuchin1. They were better than feared not covering unhosted to unhosted wallets and puts $BTC on a similar footing to USD from a FI perspective.

8/ @coinbase has been executing a lot of these large buy orders for institutional investors / funds & has filed their S1 to go public. As they continue to take back volume from offshore exchanges and as CME grows it leads to the maturation of the market.

9/ This fact pattern is the biggest difference between now & '17 which was very much a retail driven frenzy. You are having multiple 9 figure $BTC spot orders placed in market when daily inflation is ~1/2 of what it was on top of a more conducive macro backdrop.

10/ All of this is in the last 2 weeks & excludes the $PYPL roll out, the success of $SQ, @DigitalAssets, new custodians, guidance from the OCC, macro investors like Druckenmiller & PTJ talking about $BTC's place in the portfolio, etc... will shape up for an interesting '21.