Twitter Thread by Sam



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For the sake of a public record, I would like to lay out my prediction for how this next #Bitcoin #BTC #Crypto bull market plays out...

@RaoulGMI @PrestonPysh @AriDavidPaul

Bitcoin will top out somewhere between $200k and $300k.

I am not of the belief that this is going to be the "final cycle" where BTC soaks up the world's wealth, goes to $1 million and rewrites financial history. I do not think...

That Bitcoin is headed permanently to the moon on this go round. After this cycle peaks I would expect a 60 to 80% retrace.

The macro narrative is taking shape that BTC is a hedge against inflation, however...

I don't think we're actually going to get the inflation everyone expects.

In order to get secular, painful, obvious inflation I think that several things need to happen. We need a more accommodating government (MMT) which we don't...

Have yet, as evidenced by Mitch blocking the $2k stimulus.

At this point we don't have the system necessary to fire the fiscal bazookas fast enough to overcome the forces of deflation.

I think that we'll get a MMT government eventually, but it could take several years...

Furthermore, for optimal transmission we really need a CBDC.

The Obama administration spent $400 million on a website that didn't work, how fast do we really believe the United States government is going to be able to create a 99.99999% reliable...

CBDC that is secure enough to function as the world's reserve token?

Who the hell knows, but it sure as hell isn't coming in 2021, 2022, or probably even 2023. A full rollout might not even happen till 2025 or 2026.

So without a...

A MMT government, and without a CBDC for fast money transmission, I just don't see any way that we get the extreme inflation that BTC is supposedly going to protect us against.

Yet...

Assuming that BTC follows its traditional 4 year cycle, the next bull market will be starting in roughly 2024.

By that time the situation may be very, very different. Central bank printing will be off the charts, more than anyone imagines. There is MMT, UBI...

Infrastructure spending and of course, good old QE.

There may even be a pilot version of a CBDC, or at the very least the government has figured out how to quickly distribute $$$ to the people without using dead trees.

Against this macro backdrop I think BTC will...

Serve as a NECESSARY hedge against inflation. That macro backdrop is what takes us to a (devalued) $1 million BTC (or more).

Ironically, we've all heard the maxim that markets love to dole out maximum pain...

Well, imagine if a whole crop of investors get burned buying BTC in this current cycle (as an inflation hedge) and then the price crashes and there's still not much inflation.

Those investors may be hesitant to buy BTC next cycle, since inflation never happened before...

So why bother this time? Boy who cried wolf, etc.

Except that next time the ugly inflation may actually happen. And Bitcoin goes to $1 million and stays there.

If there is any chance that Bitcoin ever becomes a worldwide currency, this is when it happens...

That's my take on the orange coin, and this is the framework I will be using to inform my actions throughout this impending bull market.