Twitter Thread by Hugh Hendry Eclectica

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https://t.co/Cqqb7aLZVp



Gold and silver have been total dogs these last six months. BTC has just outperformed. I attribute this to Wil Self and his Quantity Theory of Insanity.

That there is, after all, a finite set of molecules in the universe of alternative assets - the last hold out for those seeking diversification.

My interpretation is that investing in this sector is analogous to growing followers on my Instagram account - that just as one group's starting to get it another are unsubscribing...

In this world, and maybe it's just for the moment, but Peter gotta pay Paul, 'cause there's only a limited amount of sanity remaining in the world. So, when @ScottMinerd says theoretically BTC can go to $400k, i.e., 10 x higher than now...

I think that until the bomb goes off, that hypothesis requires XAU to go to zero Me? I've always figured that the only reason people go mad is because somebody's gotta...right?

So, I think there's been switching from gold and silver to BTC. I got friends who did this for sure, this cycle vs last time and I'm convinced the younger generation are all in BTC. I read somewhere that Grayscale Trust is one of the top ten securities bought by Millenials

...you got to think that if BTC existed back in the day, then I would have been buying such a bad ass in 2002. But back then, sticking it to the man meant buying the precious complex. Today we have variant pathways to insanity and all its turnpikes.

But the weird right here, right now, is the price action and correlations – if we do have to leave insanity city for a moment, then gold and silvers' performance of late makes more sense

– they topped out when US real rates bottomed and have struggled ever since in being absolute/terrible vs SPX. Real rate comparison charts sans a Bloomberg terminal are a stretch but the gold TLT chart is not a bad stand-in

And yet BTC has surged, and from a pure macro perspective maybe that shouldn't have happened? Shouldn't performance be identical in terms of factor analysis?? I'm just asking the question...

Instead, of late, BTC has correlated with TSLA. Like
I said, borrowing from fields further away, BTC at this juncture, has the conscience temper of a savage autocrat spoiled by too much adulation...

The real test of your understanding and investment success is when you CAN buy something after it's been kicked in the teeth by the mob rather than held aloft and carried high on the shoulders of an adoring mass. I'll take my chances that BTC pulls back.

Talking of which, silver more than gold –a prize fighter in a corner is told, hit where it hurts yeah baby, silver more than gold... apologies Bono

The industrial narrative of the supply/demand balance in silver has switched and now works with us nutters and not against us like it did in the 2000s.

Retail's always long. Good on you! But in the 2000s one of the main industrial applications for silver was photographic related demand which was declining as digital took over.

For those institutional investors that seek a leitmotif to justify their actions – me? I just buy things going up - it was almost impossible to get behind and properly invest in such a whimsical investment

– but now you need silver for solar power & the circuit boards in electric vehicles etc - Whimsical squared? I think you've got a green light to be as mischievous as you dare be...

So BTC I'll take my chances and await a moment of less idolatry - I got my SBH real estate after all and then gold for whimsy and silver for whimsy squared...bonne dimanche !