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# Bitcoin Valuation

Introduction, Syllabus

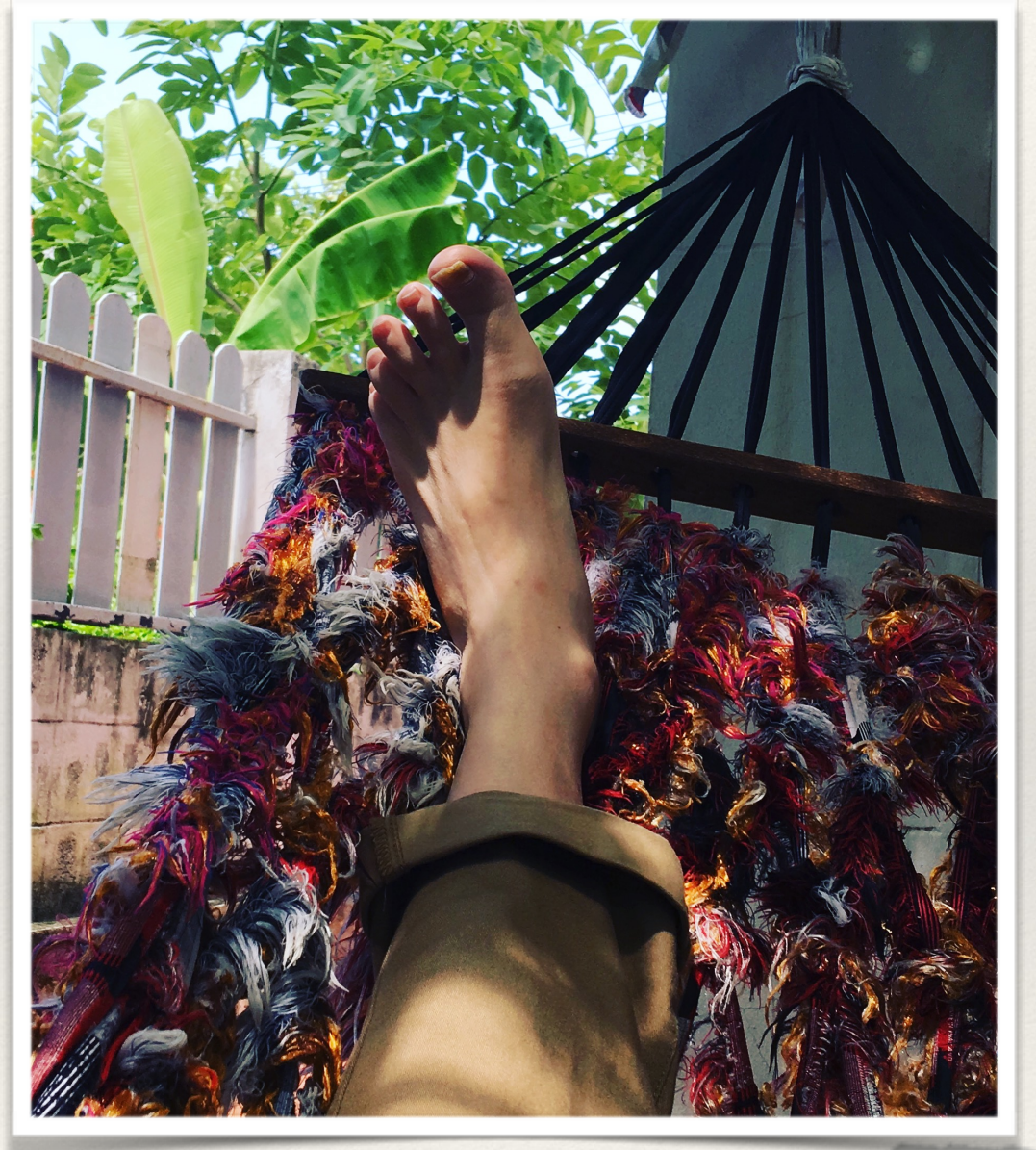
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# Course Objectives

- ❖ Help you make money
- ❖ In your Quest for Financial Freedom
- ❖ Grow your Confidence in understanding Bitcoin market dynamics
- ❖ Help you minimize losses
- ❖ Present several methods of valuation
- ❖ Present both fundamental and technical methods of valuation
- ❖ Present examples and models for these
- ❖ Help you make money





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# Not Financial Advice, Rather a Toolkit

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*This course should not be construed as financial advice or a recommendation to buy Bitcoin or other cryptocurrencies. It provides you with education and tools so that you can do your own analysis. Cryptocurrencies, including Bitcoin, are highly risky. Only invest what you can afford to lose.*





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# Money in the Internet

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- ❖ Internet 2.0 saw the rise of social media, big data and more recently IoT and Deep Learning
- ❖ Internet 3.0 will be increasingly Blockchain, IoT, and AI based
- ❖ Cryptocurrencies have been called the Internet of Money
- ❖ Better terminology is Money in the Internet





# Money in the Internet

- ❖ The money is literally stored in the Internet, globally decentralized
- ❖ Your crypto wallet does not store money, it stores keys to cryptocurrency that is in the distributed ledger.
- ❖ Money of this type is no longer in banks, although exchanges, brokers, and banks can hold keys on your behalf.
- ❖ If you prefer to think of these as digital assets, rather than a type of money, fine.
- ❖ Either way the problem remains. How does one value Bitcoin?





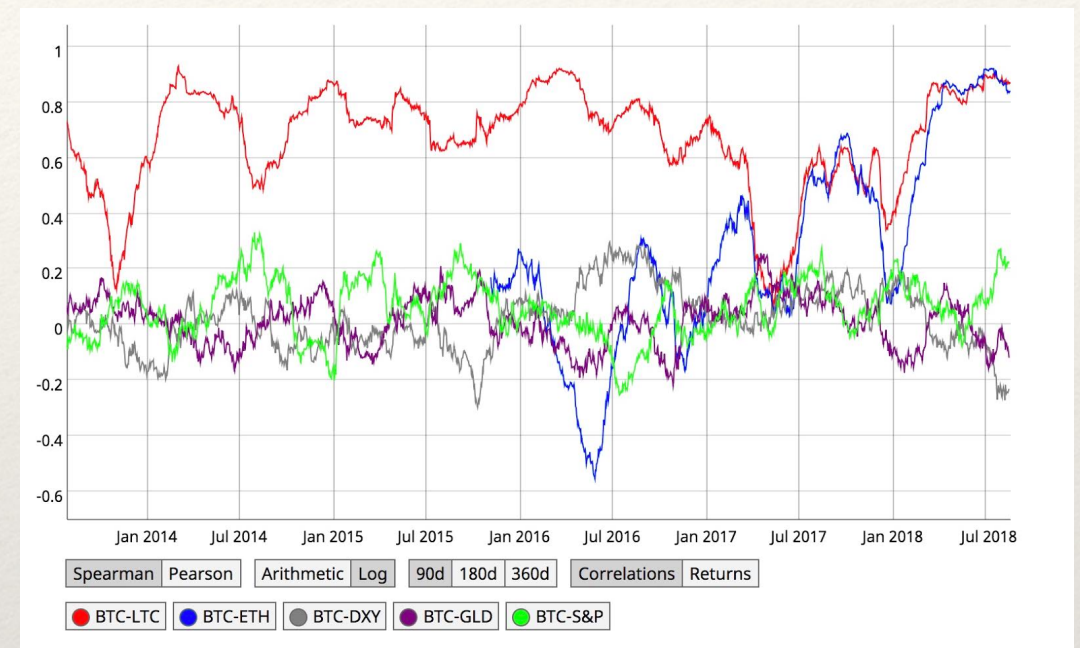
# Correlations of Bitcoin

Studies indicate that there are no significant correlations between Bitcoin prices or market cap (money supply value) and:

- ❖ Currencies
- ❖ Commodities (including gold)
- ❖ US Stocks may show weak (positive) correlation, but Bitcoin much more volatile

Correlations that do exist are with other crypto currencies and with Bitcoin internals. These include:

- ❖ Active Addresses
- ❖ Transaction Value
- ❖ Google Trends interest level



*Correlations, 90 day rolling, with DXY (dollar index), Gold (GLD ETF), and the S&P 500 (SPY ETF) are near zero. With other cryptocurrencies, such as LTC, ETH, correlations are sometimes weak, sometimes strong. Chart from [coinmetrics.io](https://coinmetrics.io)*





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# Syllabus

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## *Fundamental Valuation*

- ❖ One: Digital Gold
- ❖ Two: Halving of Block Rewards
- ❖ Three: Active Addresses, Transaction Values
- ❖ Four: Google Trends, Fundamentals Summary

## *Technical Valuation*

- ❖ Five: Seasonality
- ❖ Six: Moving Averages
- ❖ Seven: Moving Average Multiples
- ❖ Eight: HODL vs. Moving Average Crossovers

