

LISTEDRESERVE

MoneyBits

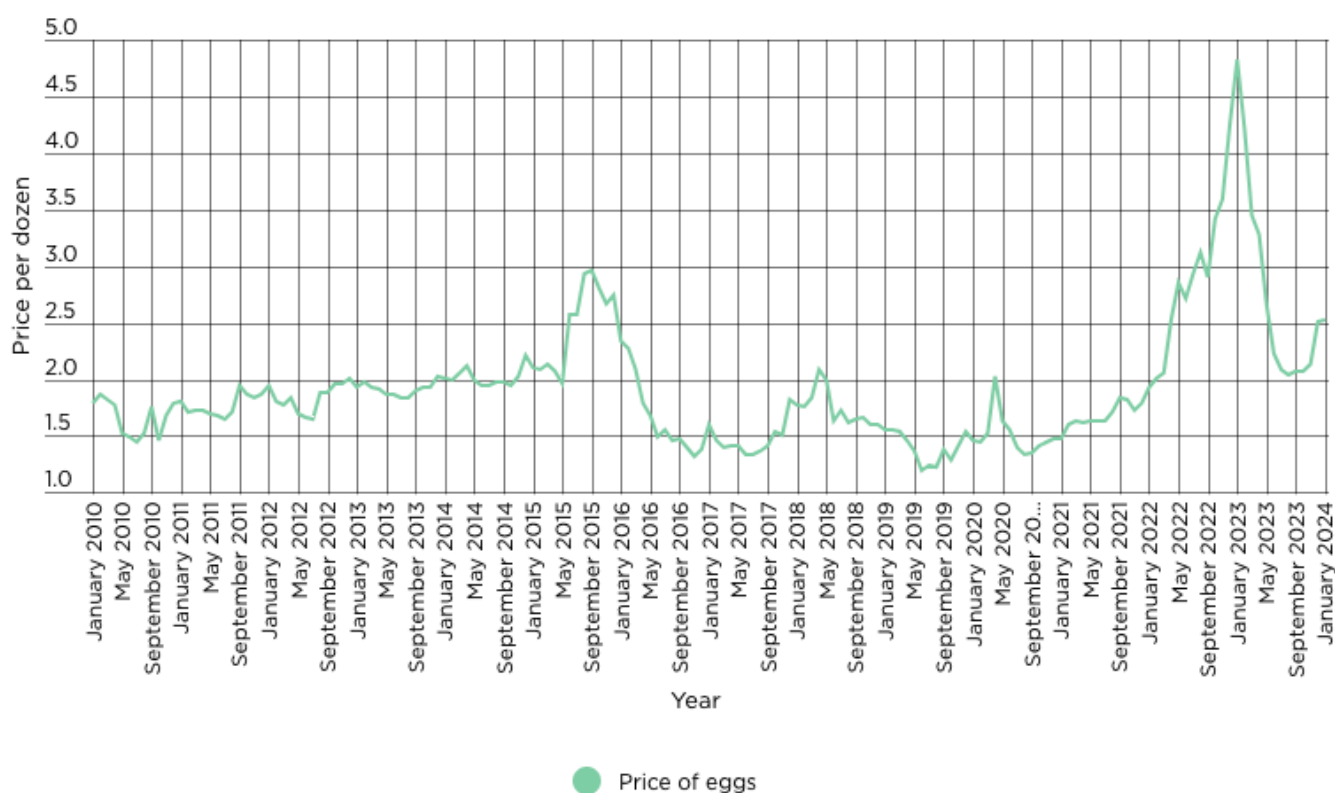
Getting high

A short note on all-time highs. Bitcoin, give or take, has an all-time high price of US\$69,000, which has been topped a few times intra-day this week.

It first arose in November 2021. Since then we have had inflationary impulses of 4.7% in 2021, 8% in 2022 and 4.1% in 2023.

As a non-believer in official statistics (because of the [calculation method](#)), I think a rough rule-of-thumb is to double it. So, 9.4%, 16% and 8.2%. In fact, seeing those figures resonates much more closely with the lived experience than the official rate.

In which case, a true purchasing power all-time high for bitcoin would be about US\$95,000.



We could use another measure, one which is not entirely made up by me. The price of a dozen eggs, a much harder index to fake. In November 2021, a dozen eggs (in the US) were \$1.72. In January this year, ignoring the egg super price spike last year, that price was \$2.52. That would imply a purchasing power all-time high of US\$101,000 for bitcoin.

To me the whole point of bitcoin is as the ultimate measure of relative value against all other things. Fiat money moves so quickly, the amount of it in circulation increases at such a rate that perhaps nominal fiat measures of prices are not the best thing to use.

In general our minds are totally captured by these nominal values. I'd suggest that's all part of the mirage of the fiat dream. Take house prices, despite the pressure of interest rates in Australia those prices are up some 20% since late 2021, but eggs are up 47%. So, according to my egg index, house prices have actually collapsed. I believe that relatively, house prices have collapsed, at least compared to the amount of money in circulation. The general consensus though is that this is completely wrong but it ultimately depends on your measurement basis.

The problem with eggs as a basis is the same as fiat. The supply of eggs is all over the place. Look at the chart in 2022, a dozen eggs went as high as \$4.5 when supply collapsed due to disease. Supply then came roaring back and prices corrected. Even so, eggs are now back on their trendline and in November 2021 I could buy 481,395 eggs with one bitcoin. Today, I would get 328,000. It is not an all time high, or even close.

The only thing you can measure relative value against is the deterministic thing. The thing that has known *deterministic* supply and perfect information for all participants.

As bitcoiners, we can't have it both ways. We cannot malign the fiat printing machine and then start celebrating all-time highs at \$US69k; it simply isn't true and the asset isn't really breaking any new ground until it gets through \$100k and beyond.

For that reason, there is no champagne here. Just a glass of tap water and a sigh of relief.

In late January the US government used emergency powers via its Energy Information Administration to insist that bitcoin miners provide the government with information about the location of their individual mining machines, down to their specific geographic coordinates.

There was some concocted mess of a story about why there was an 'emergency' which was intended to legitimise the request.

EIA to initiate collection of data regarding electricity use by U.S. cryptocurrency miners

The U.S. Energy Information Administration (EIA) is initiating a provisional survey of electricity consumption information from identified cryptocurrency mining companies operating in the United States.

Beginning next week, EIA will survey identified commercial cryptocurrency miners, which are required to respond with details related to their energy use. The Office of Management and Budget (OMB) authorized the survey on January 26, 2024, as an emergency collection of data request.

EIA will also be soliciting public comment on the collection of cryptocurrency miners' energy use data.

"We intend to continue to analyze and write about the energy implications of cryptocurrency mining activities in the United States," said EIA Administrator Joe DeCarolis. "We will specifically focus on how the energy demand for cryptocurrency mining is evolving, identify geographic areas of high growth, and quantify the sources of electricity used to meet cryptocurrency mining demand."

OMB approved the emergency request under 5 CFR 1320.13 under OMB control number 1905-0213. Further details of the OMB approval are available [here](#).

The survey was enforceable and miners were reminded that "failure to complete the form is a criminal offense".

Riot Platforms, a large US bitcoin miner, took the Federal Government to court. First of all, they won an injunction, shortly followed by the US government withdrawing their request and agreeing to pay Riot's legal fees.

Aside from anything else, it was a massive piece of overreach by the USG. The judge was less than impressed. They have now committed to going to Congress to approve the measures, which will be significantly harder than spinning up some imagined emergency.

The attacks will keep coming but it is not such a pushover now. There is political capital in the sector. More than that there are well resourced companies who can afford to take the government on and win, just as Grayscale did regarding the ETF last year.

I suppose it is part of the stages of general acceptance. We are now at step three.

First they ignore you, then they laugh at you, then they fight you, then you win.

Would you like an Apple?

Apple Computer Set to Go Public Today; Massachusetts Bars Sale of Stock as Risky

By RICHARD E. RUSTIN
And MITCHELL C. LYNCH

Staff Reporters of THE WALL STREET JOURNAL

Apple Computer Inc. is slated to go public today, amid signs that the current stock market slump may cool some of the investor avidity that had made the offering one of the most eagerly awaited in recent years.

The Cupertino, Calif., maker of microcomputers will sell 4.6 million shares at \$22 through an underwriting syndicate headed by Morgan Stanley & Co. and Hambrecht & Quist. The price indicates some degree of confidence on the syndicate's part because it's on the high side of the \$20 to \$22 range recently estimated for the offering.

Nevertheless, a broker at a major securities firm observed yesterday: "I think Apple will go at a premium, but I don't think it will explode. Take a look at the general market, and you'll see why. We've seen a dropping off of individual interest, and some institutions have pared back their commitments."

The Apple offering is the latest in a cascade of stocks of high-technology companies that have gone public this year. Through September, 182 companies of all types went public, markedly more than the 144 new issues in all of 1979. The almost \$800 million raised by those concerns is about one-third more than the \$592 million proceeds of a year earlier.

Under the Massachusetts ruling, the Apple stock falls short of several provisions aimed at weeding out highfliers that don't have solid earnings foundations. Unless the state later decides otherwise, stockbrokers in Massachusetts won't be able to trade the stock and Massachusetts residents won't be able to buy it.

The Apple offering is registered in 27 states, and an authority on securities law, Prof. Alan Bromberg of Southern Methodist University in Dallas, said that he wouldn't have been surprised to see "a domino effect" with other states following the Massachusetts lead.

One provision of Massachusetts securities law stipulates that the per-share offering price can't exceed 20 times earnings. Apple last year earned 24 cents a share and the \$22 offering price is about 90 times earnings.

Officials in California and Ohio, two other states with stringent securities laws, said they didn't plan to bar the offering at this time, but Ohio had looked carefully at such an action.

Massachusetts officials said the offering isn't being made in at least six states with strong securities laws. They are Illinois, Wisconsin, Texas, Michigan, Alabama and Oklahoma.

Apple and the two lead underwriting firms declined comment yesterday because the issue still is in registration with the Securities and Exchange Commission.

decisions on stock offerings even though an offering is cleared by the SEC.

Reflecting on the Genentech stock offering in October, an official for the Massachusetts securities division said: "If we had it to do over again, we would have barred Genentech." The company, which offered its shares at \$35 each, earned two cents a share in 1979.

One firm at first worried about the Massachusetts decision was Nautilus Fund, a closed-end investment company that owns 180,000 unregistered shares of Apple. Nautilus, a highflier itself because of its Apple holdings, plans sometime in the future to register those shares and distribute them to Nautilus holders. "We don't think there will be any problems," Albert L. Toney Jr., Nautilus president, said.

Under terms of the Massachusetts order, the Apple underwriters withdrew the offering from the state, rather than await a formal notice from regulators.

It was 1980. Apple Computer was listing its stock but it fell short of the standards required by the state of Massachusetts. It was deemed too risky for the state's residents.

They weren't completely wrong either, Apple's journey to where it is today was a wild ride. I raise it only because the Commonwealth Bank is now issuing letters to customers who wish to buy cryptocurrency.



Your recent payment to a cryptocurrency exchange has been declined because you have exceeded the monthly cryptocurrency limit.

CommBank has introduced these limits to help protect you from fraud and scams.

The payment limit applies across all of your accounts for the calendar month and resets each month. Visit commbank.com.au/cryptopayments for more information.

Yours sincerely,

CommBank

I wrote to my Federal MP about the situation earlier this year, explaining that it was a matter for the individual to decide how they disperse their money provided they do so in compliance with the law. He agreed and wrote to the Commonwealth Bank for an explanation.

That was nine months ago. They have not replied. Why not?

Well, because there are four banks in Australia that matter; and they are so large that it is inconceivable that any of them would ever be allowed to collapse because it would destroy the Australian economy. They are therefore a de-facto arm of the government.

Rather like if my wife wrote to me for an explanation about why I hadn't made her a cup of tea, I probably wouldn't write back either.

Update from American HODL

With price accelerating, people wonder, what next? I take comfort in the guidance of American HODL, because he is both funny and clever. Extract from his latest podcast below. For the uninitiated, "stacking" means buying bitcoin.

"Become a crazy person. If people in your life are not showing you active disdain, you're not stacking hard enough. If you're still invited to family Thanksgiving, you're not stacking hard enough. If people are not making fun of you for brown bagging your lunch, you're not stacking hard enough. If your car is younger than Bitcoin, you're not stacking hard enough, okay? If you don't have a second job, you're not stacking hard enough. You're just not stacking hard enough..." - AMERICAN HODL

That level of conviction is probably funny and over the top and terribly bad advice etc. etc. but it absolutely is conviction and it absolutely does represent a very large cohort of people who in 10 years will be in charge.

Euro-Trash

The staff at the ECB are revolting (against management).

ECB sparks staff revolt over 'disrespectful' approach to climate change

Employees complain after executive said new recruits had to be 'reprogrammed' to support green policies

Some unfortunate remarks had been made by ECB Executive Board Member Frank Elderson, who at an internal event questioned the bank's hiring practices:

"we have to reprogram because they came from the best universities but still do not know how to spell the word 'climate'"

This prompted a letter from the ECB Staff Council, who remarked:

“The idea of ‘reprogramming’ people is very much in contradiction to diversity and inclusion, specifically diversity of thoughts, and concerning beyond those aspects. It has an undeniable authoritarian note and is in direct contradiction to the democratic values the ECB and the European Union stand for.”

The letter went on, extract below from the Financial Times:

The nine-member staff committee, which is elected by all employees, said: “Many colleagues individually support the ECB’s decision to include climate change into the ECB’s mandate.” But it added there were “good reasons to question the legitimacy of the ECB to self-extend the boundary of its own mandate without any amendment of the legal framework and based on the opinions of its leadership”.

Even the ECB’s staff know that the climate is no place for the ECB. They have massively overstepped their mandate. “Self-extend the boundary of its own mandate”. Exactly; that’s exactly what they have done as we have remarked here for many years.

Do they ‘reprogram’ their staff? Well in 2022, they [banned meat for one day of the week](#) because of the environment; they reduced physical in person meetings by 50% for the same reason and now you basically can’t have a job there unless you absolutely commit to a particular view; **that view might be right, but so what?**

I have mocked the ECB staff in the past, mocked them for their stupid canteen and four course meals. Mocked them for the 25% fully funded pension contributions that nobody else in the world gets, which when they are dispersed into retirement cruises will do far more environmental damage than any in-person meeting ever did.

Clearly, to some extent I was wrong. Clearly there are people who work there who understand that their undemocratic overreach is very much a threat to their cushy lives.

They are group-thinkers. They have objectively failed in their core role to keep inflation at 2%. Massive undershooting for a decade; now massive overshooting. The decay of the European economy continues under their watch.

They are a total failure, a monument to political corruption.

The clock is ticking ... the Executive Board doesn’t know it but it is greatly encouraging to know that some of their staff do.