

LISTEDRESERVE

# MoneyBits

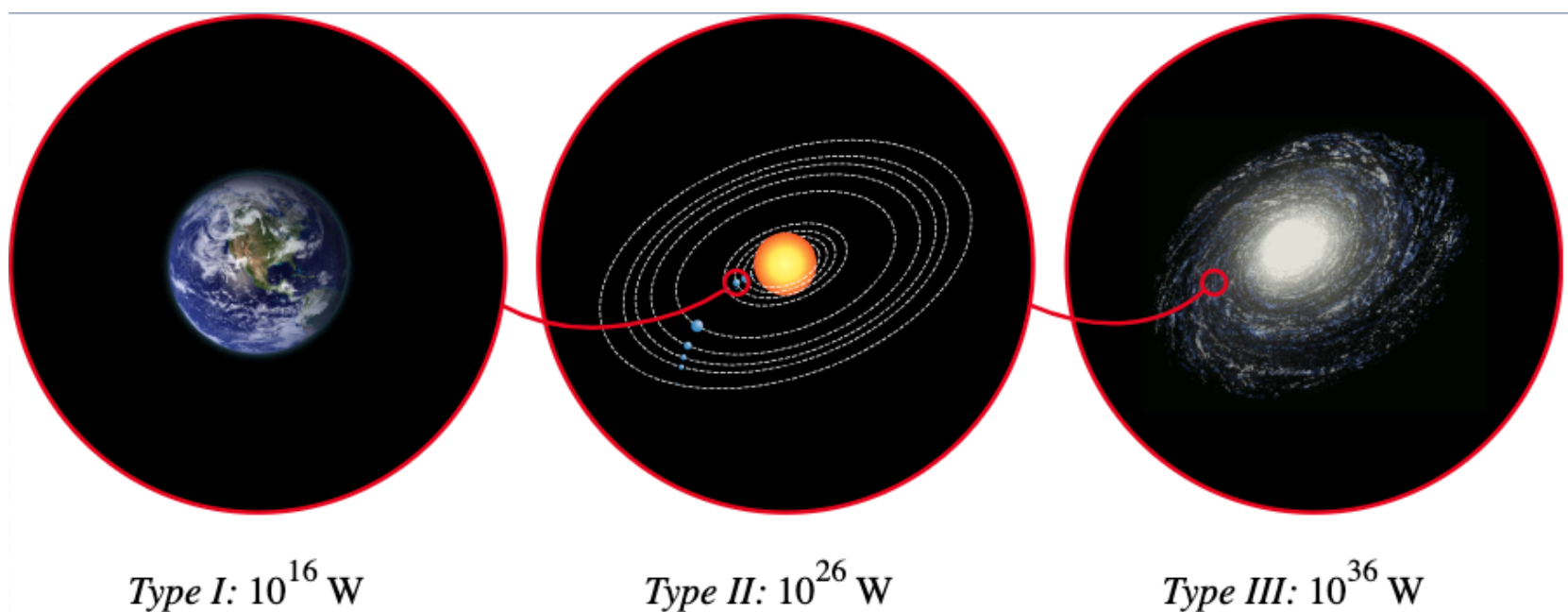
## SpaceX

It's the talk of the town and certainly sucking the juice out of the market. Valued at over 100x revenue and making a loss, it's not terribly appetising, at least to me.

Still, this is striking.

Humans use 20 TW of energy each year while the earth absorbs roughly 120,000 TW of solar power. So we are consuming about 1/6,000th of the sun's energy delivery. If energy consumption continues to grow at 2% a year, as it has done in the industrial era, then we will exceed that amount about 440 years from today.

Roughly, five human lifespans. However, we are unlikely to be able to absorb or use all that energy due to losses and other factors, so let's say three human lifespans. Maybe 250 years. If we do better than 2% per year in growth, then that timeline could also shrink dramatically.



At that point, in order to grow, we need to move up the Kardashev scale to harness other energy sources. Doing so is hugely complicated because of the amount of equipment we need to move into space (hence, cheap reusable rockets are an absolute must). Interestingly, the SpaceX IPO documents do indeed mention Kardashev Type II status.

Elon's lawyers have provided us with a definition of a Type II society. *"Kardashev Type II" refers to a civilization that harnesses the full energy output of its local star, like our Sun, to power unprecedented growth and sustain the civilization's existence.*

Why is this different from what we do now? Well at present much of the sun's energy is absorbed or reflected via the earth's atmosphere. If we were doing it correctly we would probably use a [Dyson sphere](#).

We believe that our current space efforts will catalyze transformative breakthroughs that could reshape terrestrial industries and lead to the emergence of new trillion-dollar markets on the Moon, Mars, and beyond. In particular, we believe our goal of establishing a lunar presence will enable terawatt-scale annual AI compute growth, support deeper space exploration and industrialization, and serve as a stepping stone to establishing a civilization on Mars. We believe the next paradigm shift for humanity is the creation of a resilient, perpetually expanding spacefaring civilization that drives continuous innovation across new frontiers, ultimately propelling us to **Kardashev** Type II status—we believe we are capable of unlocking an era of unprecedented economic expansion, while also contributing to the safeguards of humanity's future against existential risk.

You could take the view that we have no choice but to expand our horizons beyond earth because our growth will fundamentally be limited otherwise at that point. I accept that many people hold the view that permanent forever growth need not be the goal. I imagine those people are also not participating in the IPO.

I admire the ambition though. We technically understand how this all can be done but the capital cost is mindblowingly enormous. If Elon succeeds and is able to power his AI empire from the stars things will start to look rather different. Not least, I think he has realised that there are fewer rules in space. Will the EU fly there to enforce their system of fines? I think not.

The contrast of what he is trying to achieve with the ambitions of our local politicians is stark, and embarrassing.

It's a totally bonkers IPO and at the same time, we have no choice but to give it a go. The filing documents reveal something else. SpaceX holds 18,712 BTC (more than previously thought). Worth noting that thermodynamically pure money works even better in space where you are unlikely to encounter a central bank.

He's thinking big. I hope he wins, but his journey will be beset by hiccups. When people start dancing on SpaceX's grave, I'll use the bitcoin strategy and buy some.

## Price Action

Bitcoin ETF flows have been negative for weeks now. Capital is rotating into the mega-IPOs of SpaceX, Anthropic and eventually OpenAI. Safe to say our sector is currently out of vogue.

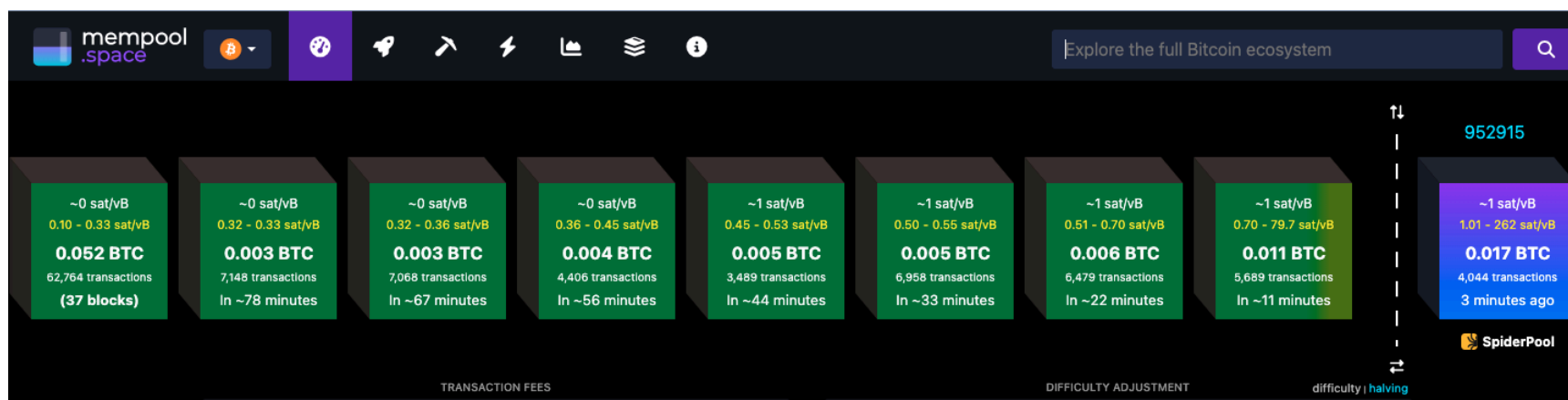
What's more, inflation is rearing its head again and it looks like interest rates will rise in Europe too.

Italy and Spain hit 3.3% and 3.6% inflation, which ought to be enough to push up the ECB rate from its current 2%.

To summarise:

1. The major IPOs are resonating with our primary investor cohort - capital flowing out
2. Interest rates are rising globally - risk is off
3. We are at the point in the halving cycle where things are normally bleak.

And yet, the blocks are full and they keep flowing, while all the headwinds are temporary.

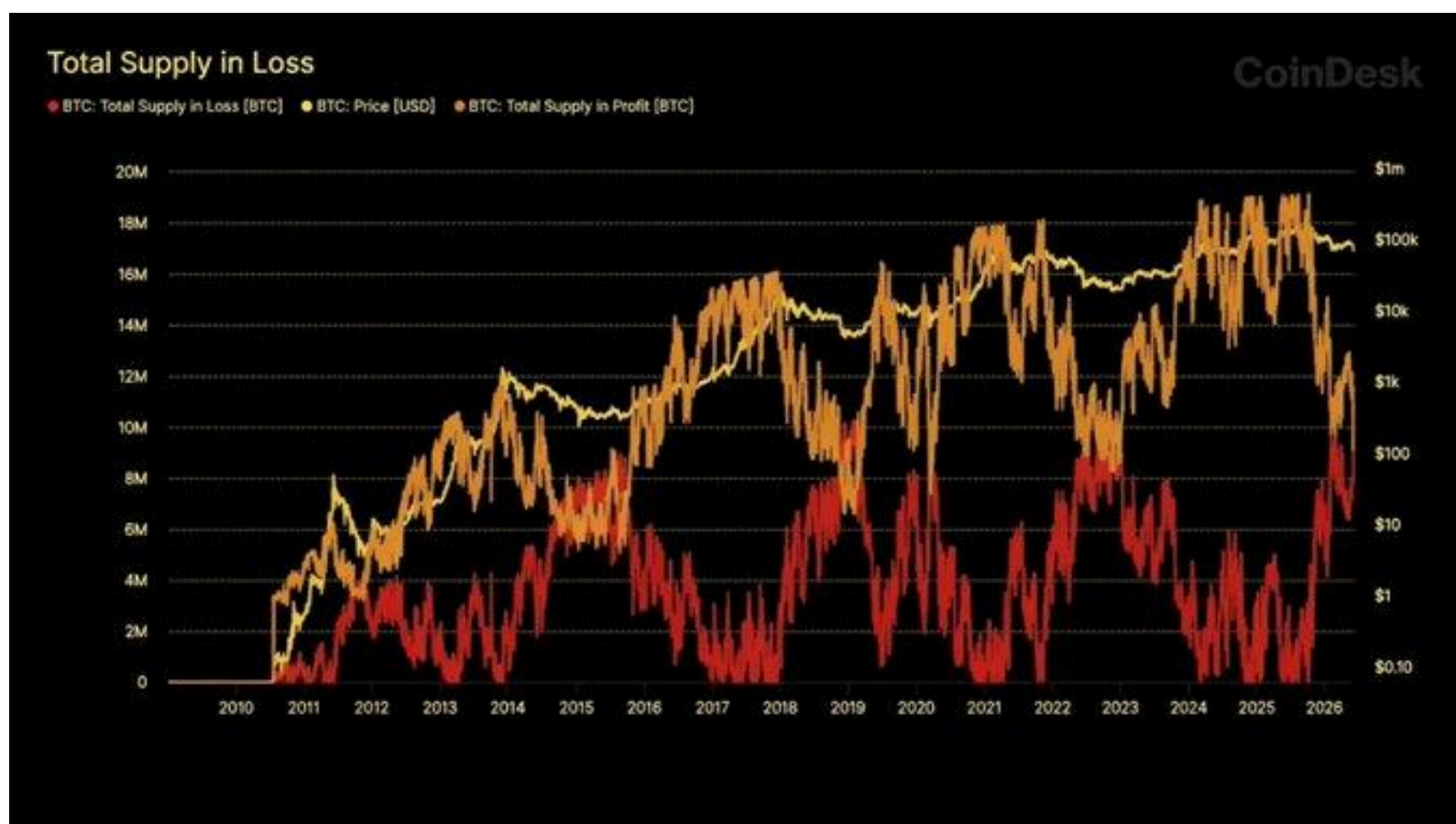


If there was any positive news for us in the last few months, as I have mentioned before, it came from Iran. From both internal and external sources the environment in Iran is hostile. The internet is intermittent or non-existent and the economy has been crippled. You will keep hearing bitcoin being [mentioned](#) for shipping 'insurance' (read extortion) and other payment types because it works and military action cannot stop it.

It's not entirely to my surprise that the positive news for bitcoin comes from Iran and outer space. Indeed, it's by design.

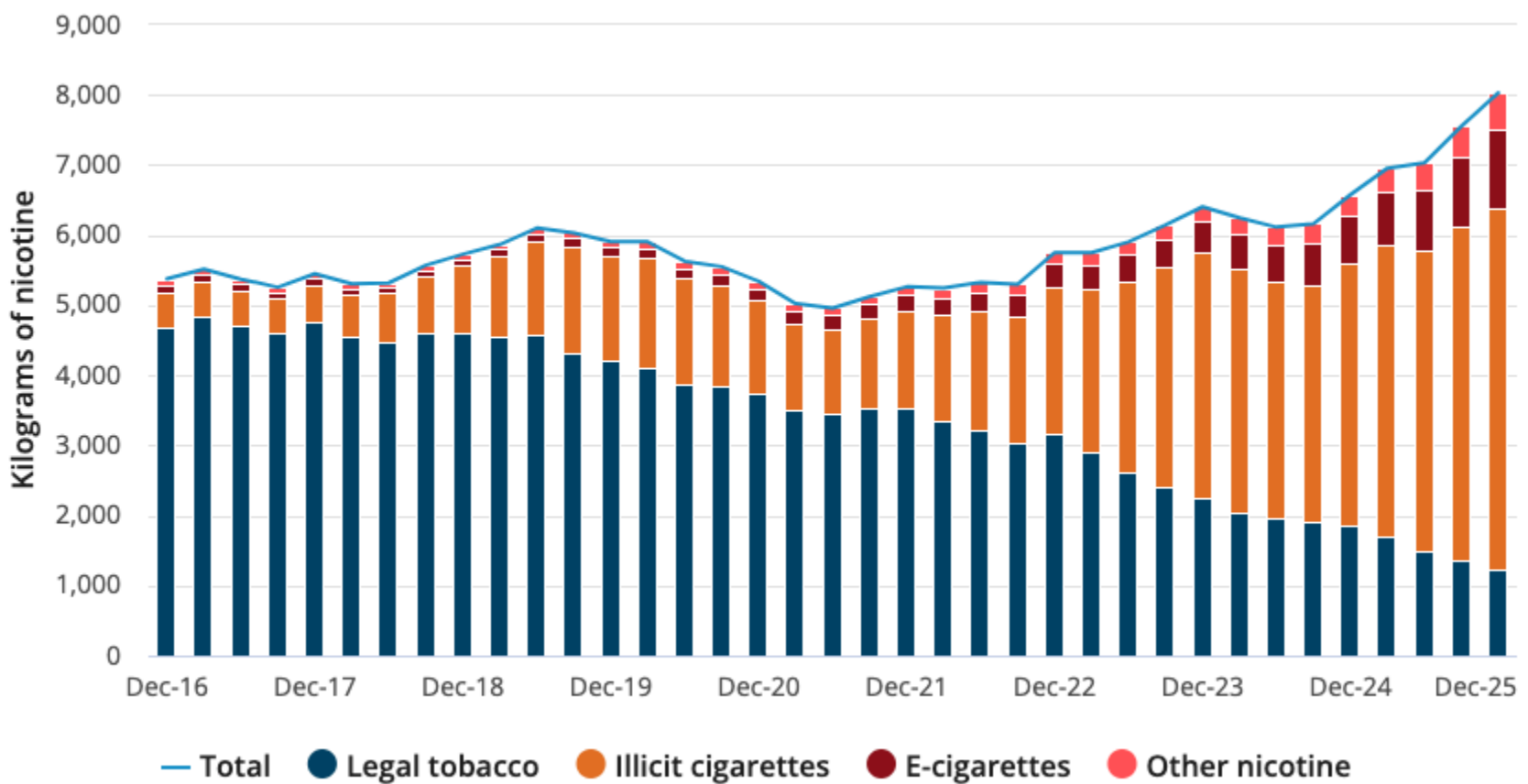
## Supply in loss.

For the sixth time in its history then, 50% of the bitcoin supply is in loss. History, which isn't much of a guide, suggests 100 days in the doldrums through the northern hemisphere summer.



All it took was for people, collectively, to say “no”.

It would be better if this story was not about something so damaging as tobacco but it is what it is. The Australian market has been completely destroyed by taxation. It's a frightening chart for a government about going too far with taxation. Not only did the policy completely fail as regards revenue, demand itself has now gone into reverse. Consumption is rising at the same time that tax receipts are collapsing.



The whole thing is even more surprising considering it is a serious (criminal) offence to even purchase these cigarettes if you know that duty has not been paid on them. Yet millions of Australians do and the sheer weight of those numbers means not much is going to be done about it because it suits nobody to criminalise a large chunk of society.

I find it rather comforting to know that there is a limit. You can push people, but once you go too far, they snap and you cannot turn back. Australian tobacco regulation appears lost forever and some \$5 billion of tax revenue has gone up in...smoke.

It does prove one thing, the people decide. On tobacco excise, they have decided overwhelmingly.

### Euro-Trash

This [video](#) is not really about Europe, but it is well worth watching. Mandatory for those of you that make it this far every week. 19 minutes, and not too many wasted words.

In it, Tyler Cowen of [Marginal Revolution](#) lays out his thoughts on artificial intelligence and its effects on the world and the workplace. At one point, he touches briefly on the impact of artificial intelligence on national sovereignty.

**18:01** But for the **European** Union in particular, but much of the world other than America and China, there's a real chance they will be dependent on our system, the Chinese system. The world will be divided increasingly into two camps: US and China. Countries will have to choose. This is not bad for the US, but very dicey.

I believe this to be absolutely true. In our business, if something is very difficult we use an American model, either from OpenAI or Anthropic. If something is slightly less difficult but time consuming we use DeepSeek or Kimi 2.5, both of which are excellent and open source (and if we had hardware good enough, would be free).

Increasingly heavy users of AI say the same thing. We can't afford to do everything with Claude so we switch to DeepSeek for 80% of it and Claude will do the rest, or words to that effect.

We are talking about the actual work of running the business, the thinking, the scaling, the design. All of it really is being done by America or China. They are the only show in town. It's extraordinary to think that an economy the size of Europe's could be nowhere on this, but they are slow to build data centres for a myriad of reasons.

They turned off all their nuclear power in Germany (which had zero emissions) and the total insanity of their policies has come home to roost. They are a decade away from being able to host at the scale of America and China, if they started today. But they haven't and they will never catch them now.


National sovereignty means you can make the rules within your own walled garden about property rights, how business is done and in what way it is done. Indeed, you can restrict to some extent the knowledge people have and how you let them apply it. For example, the recipe for methamphetamine is not easily accessible in your local library, but it is trivial to access now. There is no walled garden anymore though. At lightning speed across the world, data, ideas, planning, everything is moving into American and Chinese data centres because if you don't you will fall behind at an exponential pace. It's extraordinary to watch.

National sovereignty is much easier to manage in the physical realm than the digital one. That is why most nations were so hostile to bitcoin (and remain so). Now there is a new threat. The information domain is being attacked by the best AI models. If I were a large UK pharmaceutical company, historically I would compete for the best PhD researchers from English speaking universities to come and develop drugs. The scores on biology this week from Claude Mythos are outstanding. Those companies have no choice now but to engage directly with the best models in the world or lose.

## Claude Mythos 5 and Fable 5

	Claude Mythos 5 / Fable 5	Claude Mythos Preview	Claude Opus 4.8	GPT 5.5	Gemini 3.1 Pro
Agentic coding SWE-Bench Pro	80.3%	77.8%	69.2%	58.6%	54.2%
Agentic coding FrontierCode (Diamond)	29.3% <small>xhigh</small>	—	13.4% <small>xhigh</small>	5.7% <small>xhigh</small>	—
Knowledge work GDPval-AA	1932	—	1890	1769	1314
Knowledge work vision GDPpdf	29.8% <small>no tools</small>	—	22.5% <small>no tools</small>	24.9% <small>no tools</small>	16.7% <small>no tools</small>
Spatial reasoning Blueprint-Bench 2	38.6%	—	14.5%	36.2%	26.5%
Tool use AutomationBench	17.4%	—	15.5%	12.9%	9.6%
Computer use OSWorld-Verified	85.0%	85.4%	83.4%	78.7%	76.2%
Legal Legal Agent Benchmark	13.3%	—	10.4%	2.1%	0.0%
Multidisciplinary reasoning Humanity's Last Exam	59.0%* <small>no tools</small>	56.8% <small>no tools</small>	49.8% <small>no tools</small>	41.4% <small>no tools</small>	44.4% <small>no tools</small>
	64.5%* <small>with tools</small>	64.7% <small>with tools</small>	57.9% <small>with tools</small>	52.2% <small>with tools</small>	51.4% <small>with tools</small>
Biology BioMysteryBench	46.1%* <small>hard</small>	29.6% <small>hard</small>	40.0% <small>hard</small>	—	—
	83.9%* <small>human solved</small>	82.6% <small>human solved</small>	80.4% <small>human solved</small>	—	—
Agentic coding Terminal-Bench 2.1	88.0%*	—	82.7%	83.4% <small>Codex CLI</small>	70.7% <small>Gemini CLI</small>
Cybersecurity ExploitBench (Cap%)	78.0%*	69.0%	40.0%	34.0%	—
Health HealthBench Professional	66.0%*	64.7%	56.9%	51.8%	—

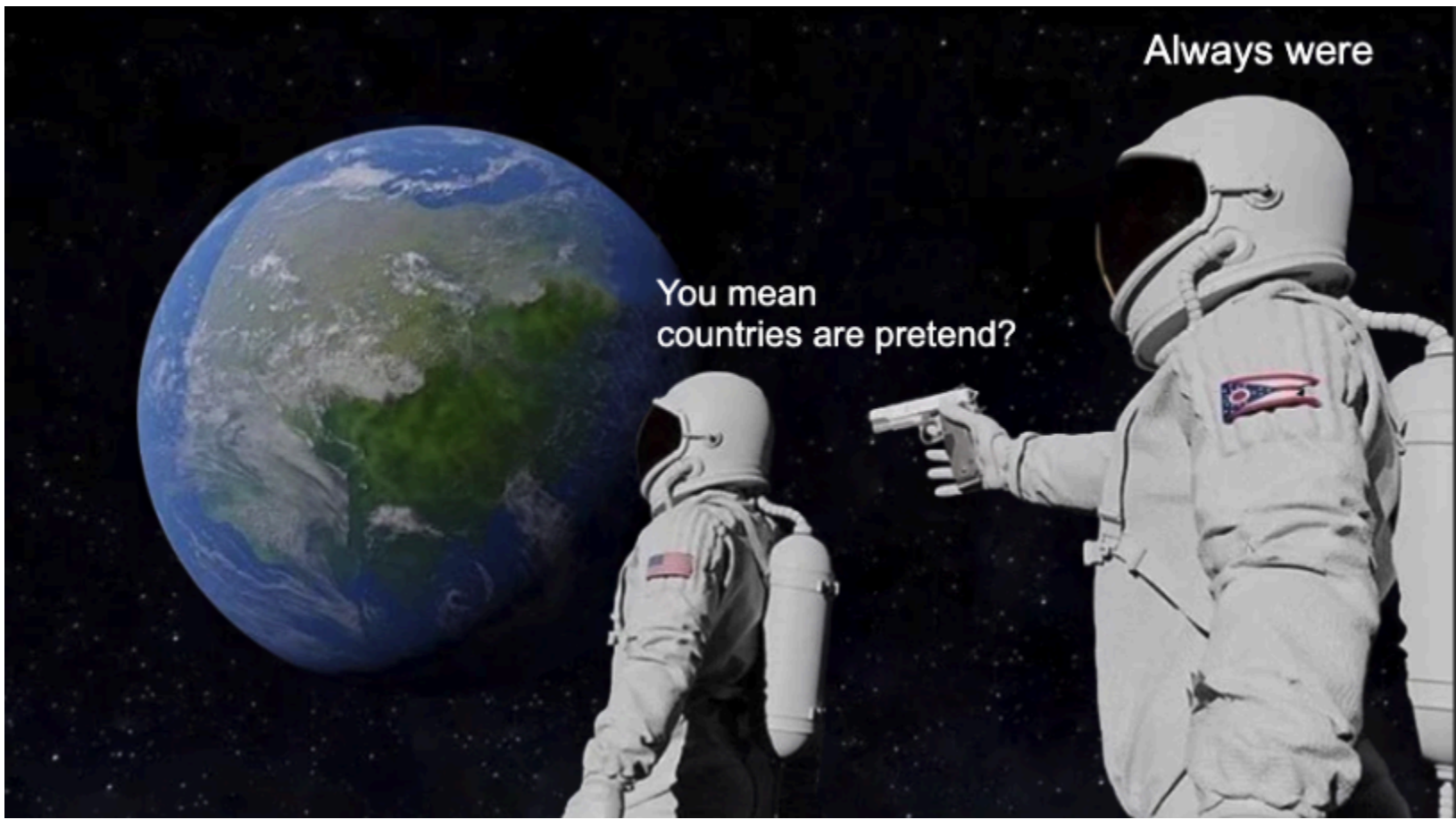
Methodology: Reported scores are within a 1-3 percentage point difference for Claude Mythos 5 and Claude Fable 5. This table shows the higher score of the two. Starred (\*) benchmarks show a larger difference due to our blocking safeguards for cybersecurity and biology-related questions. For these benchmarks, Claude Fable 5 performs closer to Claude Opus 4.8 due to fallbacks. See the system card for details.



That is the point, it is not a choice. Engage or die. The frontier of IP and knowledge creation belongs to America and China now. For everyone else, sovereignty...over what?

The biggest loser? The EU. Other countries will simply attach themselves to a bigger train. Australia is basically a defence partner of America and a trade partner of China and nothing else matters.

EU pride will cripple them, as they pursue their dreams with inferior models that none of us ever use.



Always were

You mean countries are pretend?