LISTEDRESERVE
MoneyBits

**The good news about Binance**

The short version. $6 billion of assets stolen, $2.85 billion frozen and the gap has already been filled by the Binance shareholders. They have been very open about how the hack happened, a sophisticated social engineering attack rather than some fundamental weakness. If you run any business, or even if you have a computer it's worth reading because the level of sophistication is high. Binance engineers are very likely intelligent people, probably highly intelligent and they walked straight into the trap.

There is quite a bit to consider but I would make the following points

- none of the bitcoin was ‘recovered’. That’s because transactions on bitcoin are final; they cannot be reversed. Many people do not like this idea and I hate to say that finality *is the product.*

- Tether is recoverable because it’s basically a spreadsheet.

- Some of the other tokens were frozen or recoverable too, vastly undermining their value proposition. At least in my mind.

Just by way of example. If the Commonwealth Bank were hacked and zeros were added to bank accounts across Australia. They would simply reverse them. Phew! The CBA, the banking system, it’s a glorified spreadsheet.

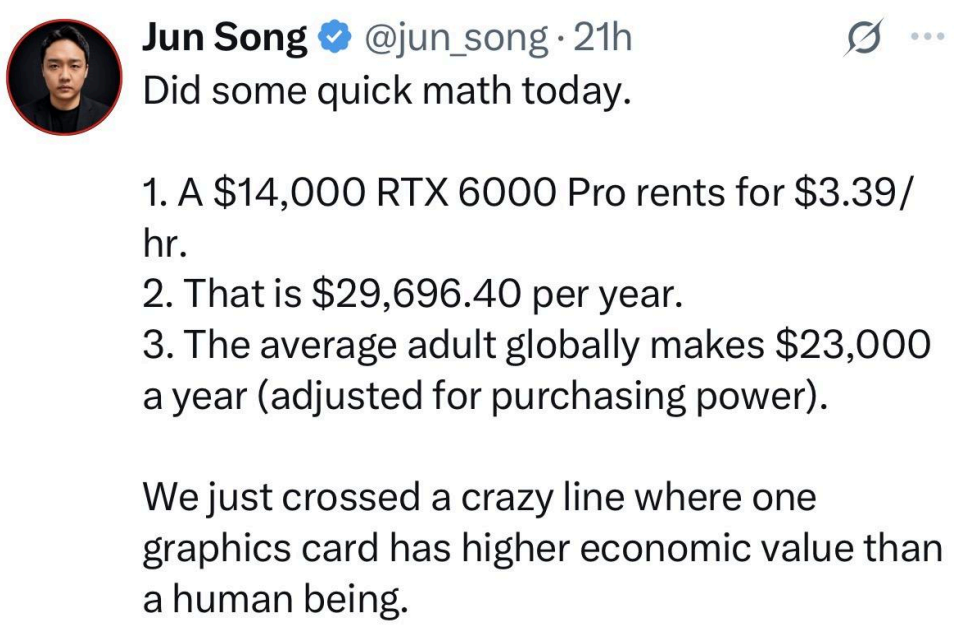
Take the other obvious attack vector though, I simply come and delete your entire database and your backups. There is a non-zero chance of this happening by the way with the current weaknesses in servers, and Linux setups (scare yourself here). What then?

The decentralised system is immune to this attack vector. Bitcoin lives on tens of thousands of devices around the world. Traditional financial systems do not, indeed the more centralised they are the more secure they are believed to be.

In any event, we can once again ponder the fact that criminals love to steal bitcoin, and mass heists rarely steal fiat. Just like they love a Rolex more than a Timex. You might reasonably respond that this is not the reason. The reason is they can get away with one of those outcomes and not the other….and I would say yes, yes! Exactly.

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**Indicators**




Jun again. Jun has been surprisingly right about a lot of things over the last 18 months. This particular piece of hardware can run a lower end AI model locally. So not the Claude, GPT stuff but certainly one good enough to execute everyday tasks. Given a choice of a year with this machine, or a year with an average global worker. The choice is easy, the machine.

Hi there,

On December 1, 2026, we're updating our on-demand compute rates. We're making this update to reflect changes in the cost of providing compute over the past year. Rates will increase for some GPUs and decrease for others. Here's what's changing:

| GPU | Current / hr | New / hr |
|---|---|---|
| **B300** | $7.10 | $8.99 |
| **B200** | $6.25 | $7.49 |

Across at Runware, who host machines for operating/training LLMs the same is true. The top hardware is now US$8.99/hour, exceeding the US minimum wage. The B300 is a leading NVIDIA chip capable of training and running models so perhaps the comparison to a human isn't fair. Except….our intelligence and capability do compete with the silicon and we aren't as good (mostly).

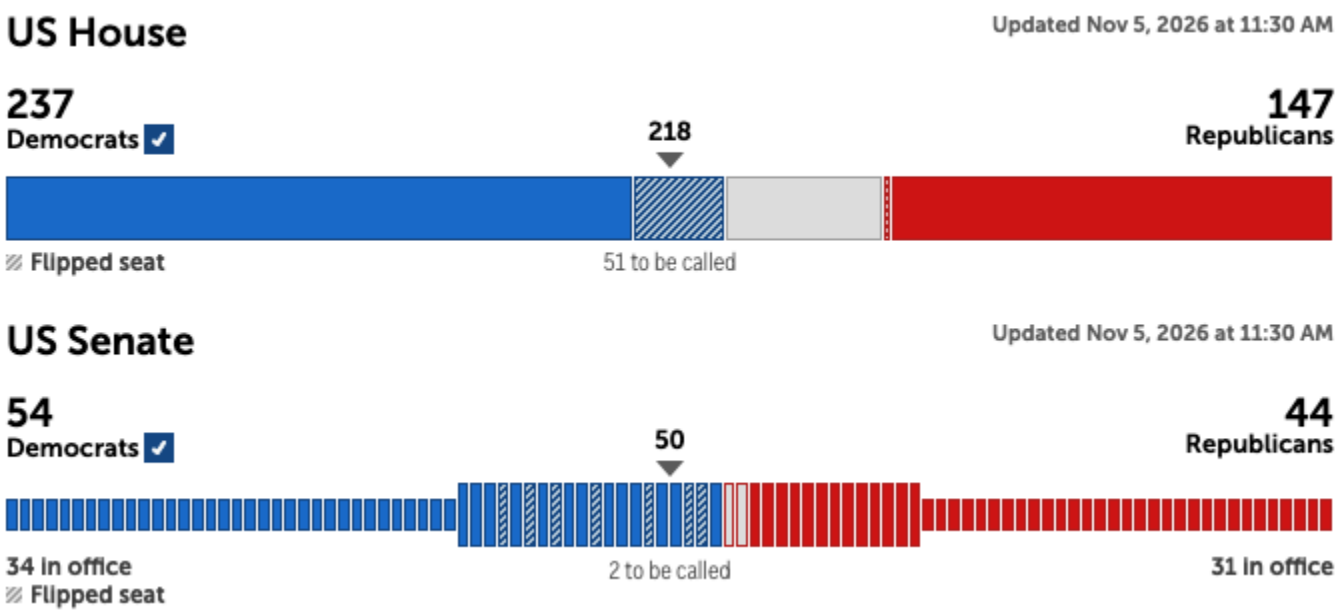
But…didn't we design the chips? Well we did once, and now we don't anymore.

The rental price for higher than human intelligence is going to set the price of white collar work.

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## Midterms

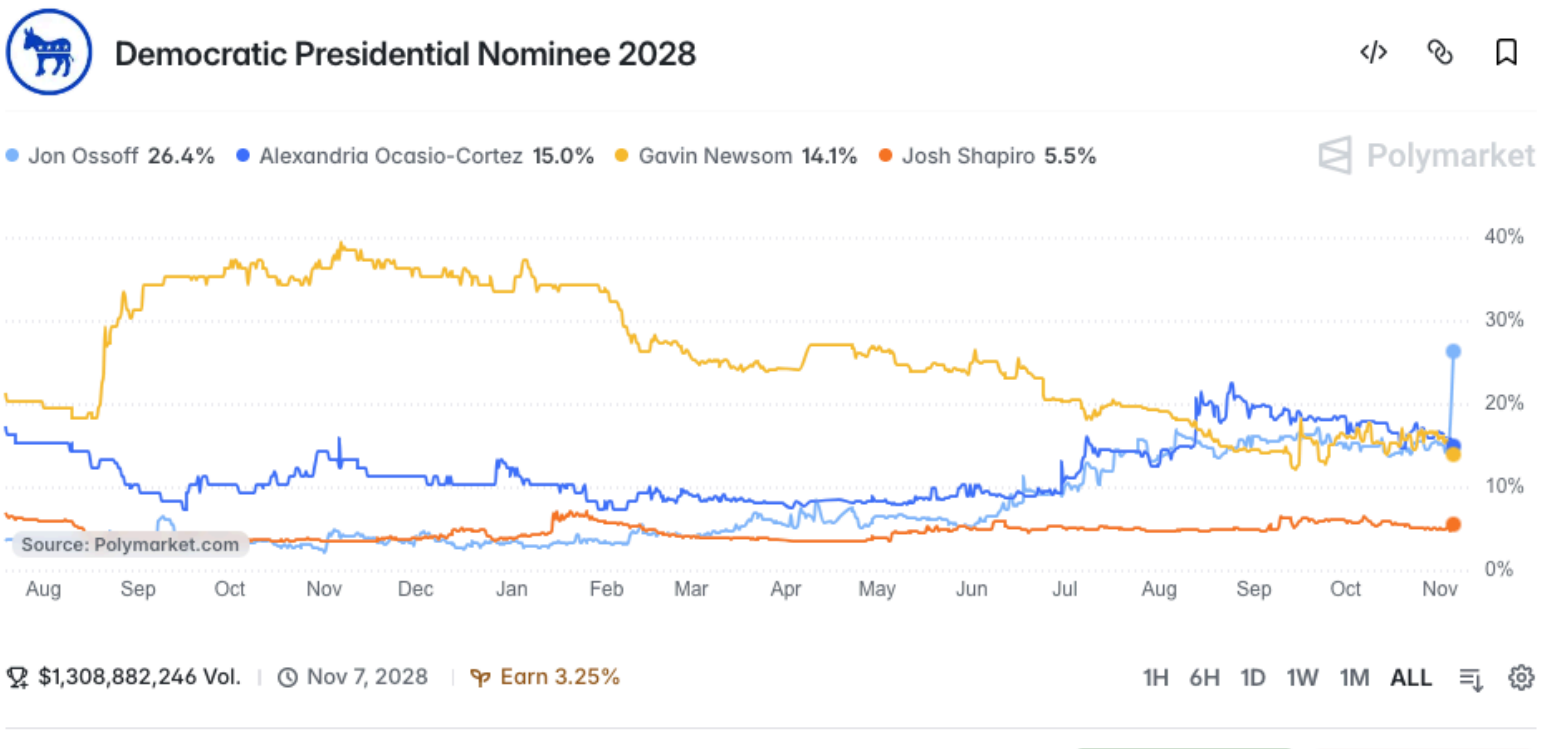
Bigger than it looks I think. Mostly because of Texas. The Senate gone is one thing but also Governor, all the Supreme Court seats up for grabs went blue too. That's a minimum of six years and likely eight before Texas could materially swing back, by which time things might be very different indeed.




For us? Well I don't think we necessarily get any favourable regulation. I don't think we get the Clarity Act because the Democrats are going to have a lot of other priorities and all priorities will now be set by them. I suspect that's why the sector rose on these results, up until this morning at least. The taps are back on here and social spending programs will be getting a major boost over everything else.

We simply need governments all over the world to spend far more money than they have. Around the world people keep on voting for that outcome, as they would. When the machines start taking their jobs, they will do it even more too. Our whole sector moving out of the political cycle would be very welcome indeed, all being well, that's what will happen.

I don't think the Dems are necessarily a slam dunk for 2028 though. Favourites, but they have two years to wreck it, and they might. Still, a quick spin through the runners and riders.




Someone always comes from nowhere in a Presidential race. Jon Ossoff comprehensively retained the Senate seat in Georgia, he is young, 39. His Wikipedia page has recently been edited to within an inch of its life which is a strong indicator of Presidential ambitions. Every political view on there is a kind of inoffensive middle of the road nothing-view. A let's get to the Primaries kind of play. I think we will see him in those Primaries but I don't think he will win.

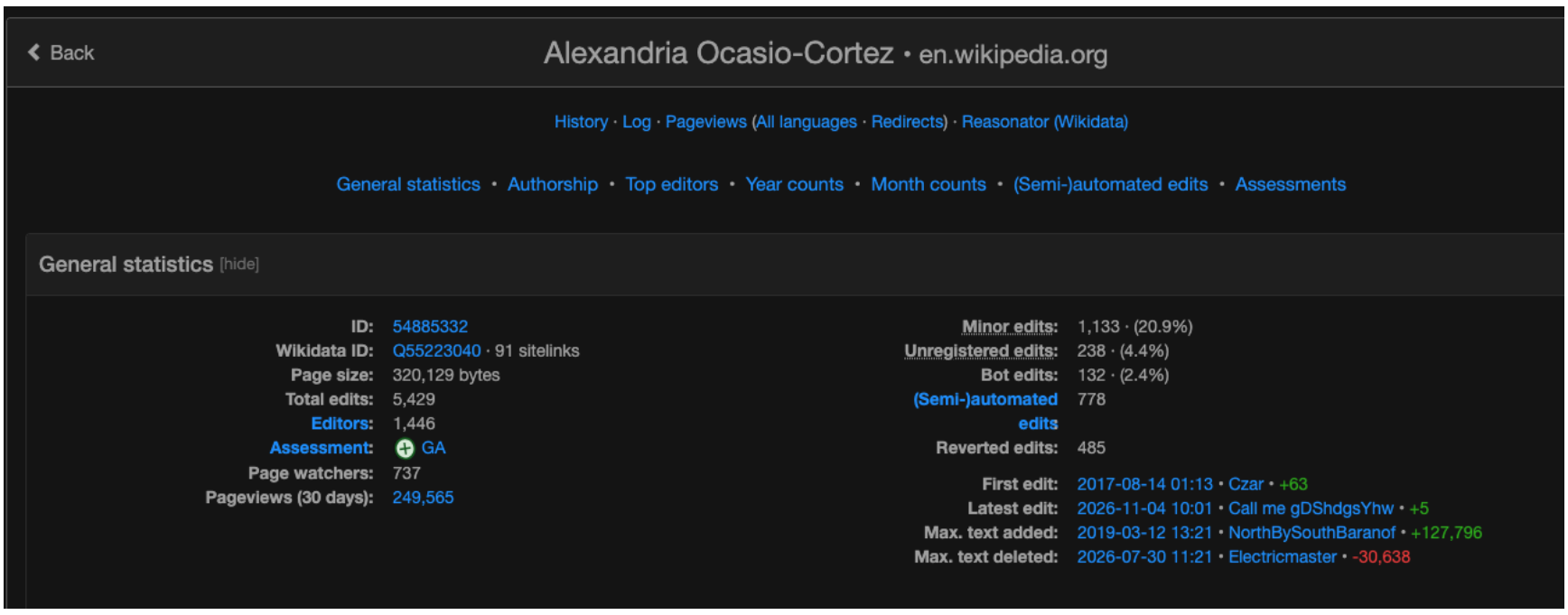
Wikipedia edits are the alpha of presidential races. Jon has 2,236 edits, with the most recent, yesterday. Of course it was.




Next up AOC, she will run. All the crazies will be with her. Pretty much down to the political environment for her, the more hostile on both sides the better her chances. Highly likely she says something unbelievably outrageous though, which is fine now, and won't be as an actual candidate.

Huge wiki effort from the AOC team. 5,429 edits. The most recent…..yesterday! She will be through 10,000 edits before the Democratic Primaries. Now only 13 months away.

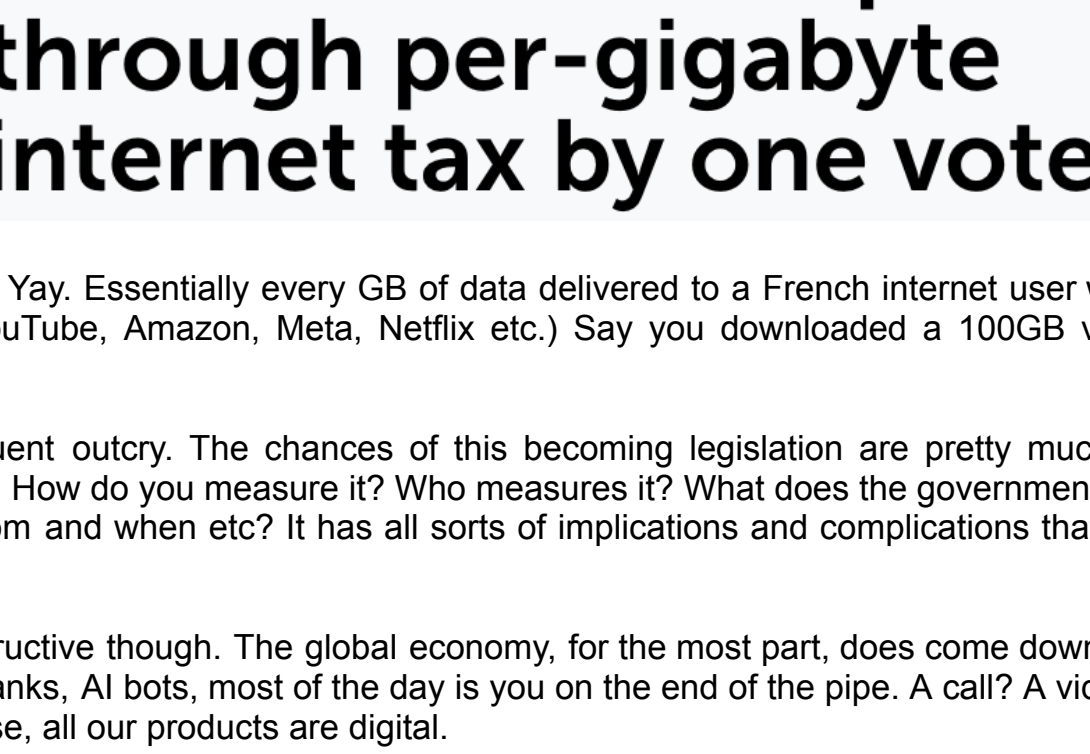
The greatest theatre of all, United States Presidential elections. I love them.




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**Bob Dylan meets Pope**

One for the Dune fans amongst you.




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**Euro-Trash**

# France’s Socialists push through per-gigabyte internet tax by one vote

The “Gigabyte Tax”. Yay. Essentially every GB of data delivered to a French internet user would attract a tax on the provider (so YouTube, Amazon, Meta, Netflix etc.) Say you downloaded a 100GB video game, it would attract €5.50 in tax.

There was subsequent outcry. The chances of this becoming legislation are pretty much zero because it is basically inoperable. How do you measure it? Who measures it? What does the government see about what was downloaded by whom and when etc? It has all sorts of implications and complications that would take years to work through.

I thought it was instructive though. The global economy, for the most part, does come down the pipe. You talk to clients, suppliers, banks, AI bots, most of the day is you on the end of the pipe. A call? A video conference, even a product. In our case, all our products are digital.

This stupid idea is not stupid at all. The ability to tax labour has maxed-out. First of all people’s tolerance for it but also what it collects will keep on falling from here even if income taxes rise. Then you have capital, which you can also tax but also happens to be very mobile. The UK and Norway are good examples of countries who have tried wealth taxes (essentially capital taxes). Everyone leaves.

Sitting on the end of a pipe isn’t changing though. Everything is going digital and 70 million people aren’t going to leave France because Google has to pay a YouTube tax. This is an ingenious levy.

All tax starts this way. Crazy. Won’t happen. Then, within a decade, it does.