COUNTERMARKETS

Trends & Strategies for Maximum Freedom

Issue 47: January 2021

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TRENDS & FORECASTING

2020 Wish List Review and 2021's #1 Trend: Entrepreneurship

By Nicholas West

Happy New Year Savages!

I would suspect that there are a great number of people who are overwhelmed with joy that 2020 is finally in the rear-view mirror.

However, we who skirt the edges of society as defined by the state and its institutions realize that 2020 was simply the state's coming-out party. As such, we should be pleased by some of the events that transpired, as well as continue to look forward to how we can survive and thrive under ANY conditions. This is the essence of what we continue to promote here at *Counter Markets:* adaptability.

We can't control outbreaks, pseudo-outbreaks, state mandates, or the actions of petty tyrants and psychopaths. What we can control is the development of our skills and strategies for dealing with and overcoming anything that these non-controllable events will throw our way. It is this mission that led me at the beginning of 2020 with *Issue 35* to look at "The 5 Trends we WANT for 2020."

Given that 2020 is clearly among the most tumultuous years in human history, I thought it would be interesting to look back at that list for a quick recap and see if we can glean any lessons, or perhaps even celebrate a victory or two.

We will then look at how the events of 2020 have solidified and further enhanced the trend toward entrepreneurship as a result of the state's overt publication that it is, as we've suspected, an institution based on violence with complete tyranny as its goal.

1) Debating what we are FOR instead of what (or who) we are AGAINST – COVID and the U.S. presidential elections did offer further demarcation lines between those who are willing to go to battle in support of the state vs. those who would like to get as far away as possible. For that we can be thankful, as it has become even easier to identify like-minded individuals with whom we can speak about solutions. However, these two issues also served to

enhance social media antagonism and toxicity to new heights. I know that social media is useful for business connections, and it contributes positively to my own life by reading the pithy, insightful and hilarious tweets of our brethren Jeff Paul, Vin Armani and Peter Quiñones. But it can also be a place to passively aggressively vent on people you've never met in ways that you never would if you met them in the real world. We should represent ourselves respectfully and professionally in all forms of communication – even on social media where both values are actively discouraged. Now is a grand opportunity to present our ideas in a clear and concise way when so many additional people feel they have been wronged by the institutions in which they once believed.

2) Localism Thrives – Well, nothing promotes localism more than being forced to remain at home. Of course, I never could have predicted how this would have happened so rapidly. But there is no doubt that people, for good or ill, have become far more aware of their local community during the last year. I highlighted Derrick Broze's project, Freedom Cells, in my trends for 2020 and I'm happy to report that he has not only expanded, but has completely overhauled his mission with two new initiatives into what he has branded Freedom Cell Network 3.0. You will also read later in this issue about Vin Armani's "Project Saipan" which was started in the wake of tyrannical lockdowns on the mainland, and is another exciting peer-to-peer project aiming to adapt to and overcome our "new normal." I would also add that the massive adoption of homeschooling is another encouraging example of where a return to core family values can be witnessed which will

further strengthen all local initiatives, as well as entrench our #1 trend for 2021.

3) Free Speech Becomes Profitable – OK, we nailed this one. Admittedly, this was pretty obvious to predict. There is only one way free-thinkers will respond to massive censorship and deplatforming – by building new platforms and having their discussions elsewhere. Our colleagues at *Activist Post* have reported on the Big Tech Exodus among their own followers across social media. Many other well-known independent voices have started their own platforms, or have moved their audiences fully away from Facebook and Twitter. All of the major alt social media platforms are looking better than ever, adding new user-friendly enhancements, building better network stability and financially thriving in ways they never would have if the state didn't do what the state can't help itself from doing.

4) Cryptocurrency Projects Take Headlines Over Price – This has been a double-edged sword in my view. On the one hand, clearly the explosion in the price of Bitcoin to all-time highs has grabbed the headlines and the HODL message is more prominent than ever. However, this type of attention has further accelerated the state's interest in controlling it (getting their cut). This has exposed which projects might be on the wrong side of such an equation. Nevertheless, such a massive new influx of funding has enabled many of the projects that were able to survive the last crypto winter to strengthen their position and properly adapt to what is on the horizon. Vin has more to say about this in his article this month; but, again, his "Project Saipan" is indicative that once price becomes an afterthought, it will finally be the *utility* of true cryptocurrency that will flourish as real proponents of

peer-to-peer systems will seek to further wall themselves off from state interference.

5) Non-compliance and Nullification – Here again, it's mixed results at best. Generally speaking, compliance is clearly reaching new levels, whether it's the mass self-muzzling taking place on the streets, or a raft of new KYC and FinCEN kowtowing within the cryptosphere. However, the examples of non-compliance that *have* taken place do stand out even more under such a broad stand-down by the public. I would point to the many restaurant owners who have defied lockdown orders only to endure massive fines and arrest in some cases. In nearly every case they have received massive financial support from patrons, sympathizers and fellow entrepreneurs. They also have demonstrated the level of courage required when the state goes into full-blown tyranny. U.S. constitutional violations have similarly reached all-time highs, which has spurred a raft of lawsuits and nullification efforts. There have been some small victories at the local level, but it remains to be seen if this will be an effective strategy going forward. We really don't believe that it's the best strategy to expect the state to rein itself in. As before, I would refer you to the Tenth Amendment Center as the best resource for these legislative battles.

Now let's get to the really good news for 2021.

In our current situation, the state is forcing people into entrepreneurship *en masse*.

As Kerry McDonald reported in November, we've begun to see some key indicators in recent months showing that an increasing number of people are not going to sit around waiting for government assistance.

> This week, the *Wall Street Journal* reports that entrepreneurship during the pandemic is accelerating. Several metrics point to this growth, including the number of people applying for tax identification numbers. The *Journal* cites US Census Bureau data revealing that applications by small businesses rose nearly one-third between January and September, compared to the previous year. In particular, applications skyrocketed between July and September, **rising 77 percent from the previous quarter—the biggest quarterly increase in 16 years of tracking this data.**

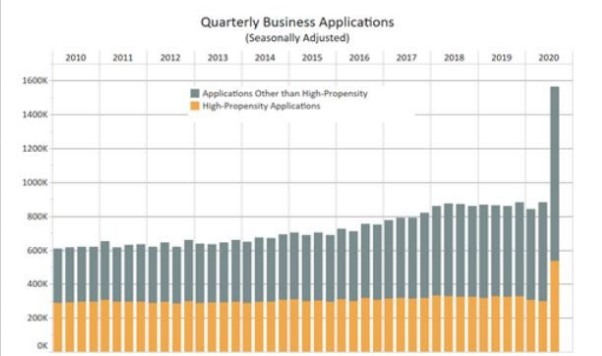
> This week's report reinforces the trend toward entrepreneurship during the pandemic that the *Journal* first highlighted last month, stating then: **"Americans are starting new businesses at the fastest rate in more than a decade."**

A deeper dive into the U.S. Census numbers graphically shows the stunning percentages across the country of new business starts from 2nd to 3rd quarter (3rd-4th quarter numbers are due soon on January 14th):

BUSINESS APPLICATIONS

U.S. Business Applications:	2020 Q3	2020 Q3 / 2020 Q2
Total	1,566,373	77.4%°
High-Propensity	537,355	79.0%°
With Planned Wages	178,662	70.1%°
From Corporations	184,822	67.1%°

Next release: January 14, 2021
(°) Statistical significance is not applicable or not measureable.
Data adjusted for seasonality.
Source: U.S. Census Bureau, Business Formation Statistics, October 14, 2020



Source: U.S. Census Bureau, Business Formation Statistics, October 14, 2020

Business Applications - At a Glance

		US	Northeast	Midwest	South	West
Total	2020 Q3	1,566,373	230,127	283,336	737,622	315,288
	2020 Q3 / 2020 Q2	+77.4%	+86.0%	+88.0%	+79.4%	+59.7%
High-Propensity	2020 Q3	537,355	84,634	96,473	236,232	120,016
	2020 Q3 / 2020 Q2	+79.0%	+97.5%	+92.0%	+79.2%	+59.4%
With Planned Wages	2020 Q3	178,662	24,635	34,793	77,984	41,250
	2020 Q3 / 2020 Q2	+70.1%	+89.6%	+83.4%	+69.3%	+52.7%
From Corporations	2020 Q3	184,822	38,769	24,983	68,032	53,038
	2020 Q3 / 2020 Q2	+67.1%	+101.9%	+74.5%	+59.0%	+54.8%

Details may not equal totals due to rounding. Regions defined by Census Bureau Geography Program. Statistical significance is not applicable or not measureable.
Data adjusted for seasonality. Green Percentage changes are greater than zero (+). Red Percentage changes are less than zero (-). Z = absolute value < 0.05.

As reported by Jeff Haden at *Inc.*, that represents *1.4 million* potential entrepreneurs rising from the ashes of government destruction. And of course this doesn't even account for those who are not applying for official permission from the state.

The best thing about this trend is that there is no turning back once you've seen the power of the state influence your life in the most personal of ways. The decision to not plead for help, but instead move toward self-reliance by accepting personal risk and accountability is a sea change that cannot be reversed.

In fact, I'd like to conclude with my own experience during my formative years as an entrepreneur to illustrate the possible evolution for people as clueless as I once was. I hope it offers a lesson that even the myopic sheep of today can find their way out of the pen if given the proper encouragement, or they are simply forced into survival mode.

My first job out of college was at AT&T headquarters. You simply couldn't find a more corporate environment at the end of the '90s. I started in Marketing Communications as a copyeditor. The work was mundane, uninteresting, uninspiring and it took 17 people to approve a change from a comma to a semi-colon. I already had been raised in a corporate household, never giving much thought to taxation, regulations, or any of the other instruments of the state. I simply went to work, collected a check, paid my taxes and was thrilled when the state gave me back a portion of my earnings at tax time as a "refund." LOL!

On the weekends, I began to get some extra cash by working at a liquor store. I say cash, because it was under the table. This was my very first experience with such a concept aside from mowing the neighbor's lawn or shoveling their driveway as a kid. I know, it's naive in retrospect, but this was merely the beginning of a journey toward a full wake-up.

My then-boss later became a partner when a new liquor license became available for purchase (a rarity in NJ at the time) and he wanted me to run the new location as someone beyond a manager, willing to put in the energy and hours than only an owner will do. Here is where the real wake-up occurred.

For the first time, I learned what it looks like to operate a small business behind the scenes; what regulations are imposed against those who hold a liquor license; and the fact that the state, through that license, believes it is a *vocal* partner with your endeavor. The NJ Alcohol Beverage Control essentially claimed ownership of our business by dictating the parameters under which we could operate in a variety of ways that often contradicted what was best for our business and the consumer. The ABC also had the “right” to come into our store at any time unannounced and remove all paperwork for inspection, informing us later of the infraction and fine (and, like an IRS audit, it's next to impossible not to have one).

Ultimately, we were successful regardless of the many roadblocks, but it led me to believe that if you want to turn someone into a hardcore agorist/anarchist, entrepreneurship is the best way, because its very nature is in direct opposition to the state. Even a child can see this when the police arrive to shut down their lemonade stand.

This story is also meant to illustrate that entrepreneurship can be a unique lesson in acquiring the skills and knowledge to further remove oneself from state participation and encourage wider adoption of more nuanced concepts like black and grey markets.

Lastly, entrepreneurship is also a choice to be part of a unique community of fiercely independent leaders who, unlike their portrayal by establishment media, are among the most helpful and compassionate people you will ever meet. We have seen countless examples of this spirit throughout the current crisis, because the mentality of entrepreneurship is to single handedly do what others will not or cannot.

Closing Thoughts

Entrepreneurship is ultimately a protective force against the state, as well as an economic safety net of resilience and adaptability. When its spirit flourishes, freedom and economies flourish. Backed by the power of cryptocurrency, utilizing black and grey market techniques, I believe it creates a type of *guerilla entrepreneurship* which begins with a full awareness of what it's up against. If current trends accelerate, it might just be unstoppable.

Overly optimistic? Perhaps, but it's a new year after all. Onward...

ENTREPRENEURSHIP

The Saipan Project

By Vin Armani

I hope this New Year finds you in good health and good spirits. The last twelve months have been a challenge for our species. In many ways, over this last year, we have become a new species. For many people, 2021 will be “Year One,” a milestone in their life where they “started over.”

The more conspiratorial among us will say that the events of the last year were all somehow planned, part of a nefarious plot by globalists to implement something called The Great Reset. I have been publicly predicting a great shift in global consciousness for around five years now, so I won't be counted among those who fall into such facile narratives. Whatever the catalyst, whatever the reason, there is no doubt that the world has entered into a "new normal."

You may already know that, in April, I moved my family to the island of Saipan, part of the US territory known as the Commonwealth of the Northern Mariana Islands (CNMI). In part we chose this location to be part of a nascent community focused specifically on cryptocurrency as a means for greater liberty. Over the next year, I will be using my column in *Counter Markets* to document and explore our actions here in what is, now, arguably the safest and most free place in the American empire.

In our last issue, I gave a post mortem of the experience with CoinText. When we began that project, in the front of our minds was a focus on design such that, should the state decide to heavily regulate the space we occupied, we could be exempt from much of that scrutiny. We are, indeed, seeing a new interest in controlling the cryptocurrency space. Both President Trump's financial working group, and the most radically left-wing members of the US Congress have made statements and published bills seeking to add onerous restrictions on stablecoin use. The US Treasury Department is in the midst of adding stringent new reporting and recording regimes to the cryptocurrency exchange industry. All the while, more and more governments are finalizing

or implementing their Central Bank Digital Currency (CBDC) systems. Combined with the draconian measures that world leaders have shown they are more than willing to impose in the name of a mostly non-fatal disease, the “new normal” looks like it is shaping up to be an environment of financial surveillance and control.

In past issues of *Counter Markets* I have laid out frameworks for using cryptocurrency to facilitate a new kind of decentralized economy based on Non-Custodial Financial Services – a term I coined. In the past year, those of us here on Saipan have begun building and implementing prototypes of these models. We use them in commerce, in real life.

Issuance of currency is now an issue that no person who desires autonomy can ignore. Stablecoins represent a democratization of currency issuance; and the market penetration of these new currencies in just the last 24 months has been unprecedented in human financial history. There are many emergent models under which these currencies are issued. Some of these models, such as deposit-backed tokens such as USDC and Gemini Dollar are familiar. Algorithmic stablecoins such as DAI are novel experiments. Tether’s USDT, which has become the global reserve cryptocurrency (against which all other crypto assets are priced) is infamous and seems to be following the same wanton printing pattern that we see in the issuance of US Dollars themselves.

While we can argue which of these currency models, if any, are viable, ethical, and sustainable, there is no doubt that a financial revolution is in full swing and the state has not only taken notice,

but is taking action. We are hard at work in Saipan exploring these models, attempting to get a broad understanding of them, so we can take productive action.

My experience with CoinText impressed upon me the idea that it does not matter how simple and powerful the tools are for sending and spending cryptocurrency, if there is no demand for the coins themselves, these tools will sit unused. It is simply insufficient, if what we seek is greater financial freedom for mankind, that demand for Bitcoin, as the prime example, is mainly for the purpose of waiting for the price to rise (apropos of nothing) and then selling the coins for fiat. HODLing doesn't move the needle from out of the current paradigm. If Bitcoin cannot find a stream of demand outside of speculation, then I have no doubt that, once CBDCs are commonplace, the average individual will find it nigh impossible to even participate in Bitcoin networks – restrictions having been placed on the transactions that can be made using CBDCs. There is a sense of urgency in this matter. We are utilizing the unique cultural and legal protections of Saipan to find new demand streams for actual usage of Bitcoin.

Communication platforms are a liability. This becomes more true with every passing day. Not only are we working to build a physical community of individuals dedicated to finding solutions outside of the state and testing hypotheses together in the real, physical world, but we realize that now is the time to begin expanding our understanding of the tools – particularly cryptographic – that are latent in every Bitcoin wallet.

This year, in this column, I will be sharing my own experiences using the nascent communication tools being worked on by some

of the most brilliant Bitcoin developers in the world. Those experiments, due to their very nature, will be open for you to participate in as well. It is absolutely crucial that communities of like-minded people already have robust communication networks in place before the inevitable “squeeze” of information and connection begins in earnest over the next several years.

The last year has been a challenge for everyone. There has been suffering and great change. We began *Counter Markets* because we could see the storm clouds gathering on the horizon. In the coming year, both as individuals and as a community, we have a chance to use the tools at our disposal to build the vehicles that will allow us not only to weather the storm, but to benefit from it. The work continues. The adventure continues. We journey together.

Here’s to a powerful new year.

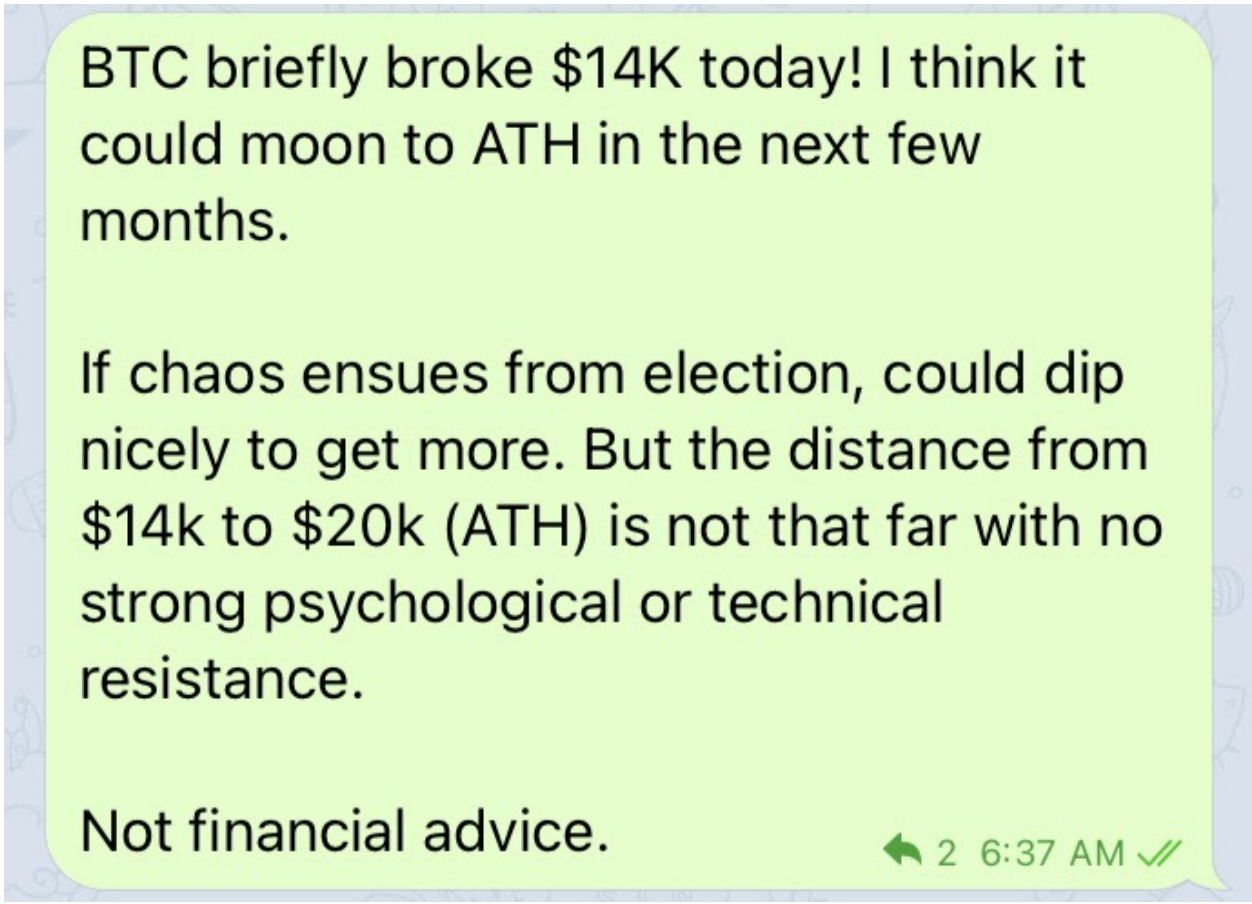
WEALTH

Cryptocurrency Outlook for 2021

By Jeff Paul

Bitcoin and cryptocurrency exploded higher to end the year. What can we expect to see in 2021? Where are the opportunities and what should we watch out for?

If you are active in our private Telegram group, you will know that I predicted new all-time highs for bitcoin on October 31st.



I know some of you bought cryptocurrency for the first time around then and are experiencing massive growth already. Others have been riding the storm for a while, but it looks like sunny days are back – at least for now. But how high will the market go and can the top be predicted?

Why The Bull Run is Happening Now

We like to think markets are driven by logic and real fundamentals like profit and adoption, but that simply isn't the case. What

actually occurs is that humans find a story to justify what happens in the market.

While building CoinText, a news story attributed a big spike in the price of Bitcoin Cash (BCH) to CoinText releasing support for new countries. We LOL'd.

Today, the world economy is in the worst shape it's been for decades, yet the stock market continues to go up along with many other assets. Why?

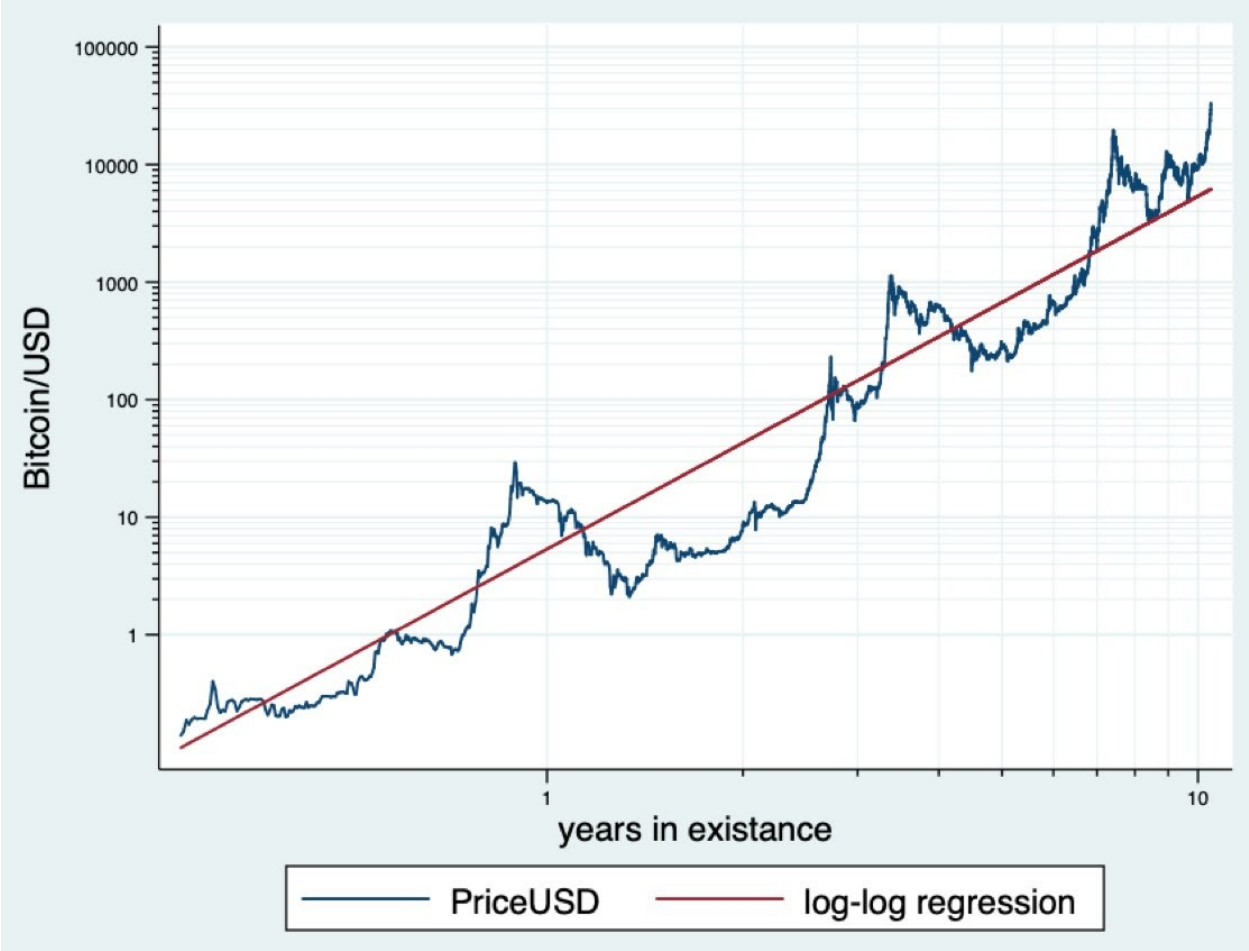
Runaway money printing by central banks is a good answer. It's the same reason most people HODL cryptocurrency for the long term, but what about short-term cycles?

Markets have always followed predictable cycles since they began. The cycles are psychological and appear even clearer in Bitcoin and cryptocurrency because it is an open free market without artificial constraints.

These cycles can only be broken by dramatic events, but it's difficult to imagine events that could break the pattern that crypto is in. I'll cover some potential risks later.

As speculative assets, bitcoin and cryptocurrency have a textbook pattern of market cycles where the price rises slowly at first, more people become interested, price rises more, eventually FOMO (fear of missing out) drives the price parabolic (straight up) leading to a huge correction from the peak and cool-off slope, followed by a consolidation period which begins the cycle all over

again. This cycle has occurred over and over in Bitcoin, always trending up.



The reason I felt bitcoin was going to hit new all-time highs after it hit $14K in October was because it was a huge psychological target for technical traders. I also have the benefit of experiencing the last two bull runs from the moment they began until the bitter end.

I knew the 2017 bull run began when Bitcoin (BTC) briefly hit $1000 on New Years Day 2017. Not only was $1000 widely viewed as the previous all-time high from 2013, it was also a

major psychological barrier. Once crossed, there was very little psychological resistance. Market forces then took over. The following 12 months were quite a ride that took Bitcoin to $20K, or 20X its previous psychological high.

If this bull market follows the exact pattern as the previous one and takes Bitcoin to 20X the previous high, the price would peak at around $400,000/BTC sometime toward the end of the year. However, I don't think it will go quite that high before correcting.

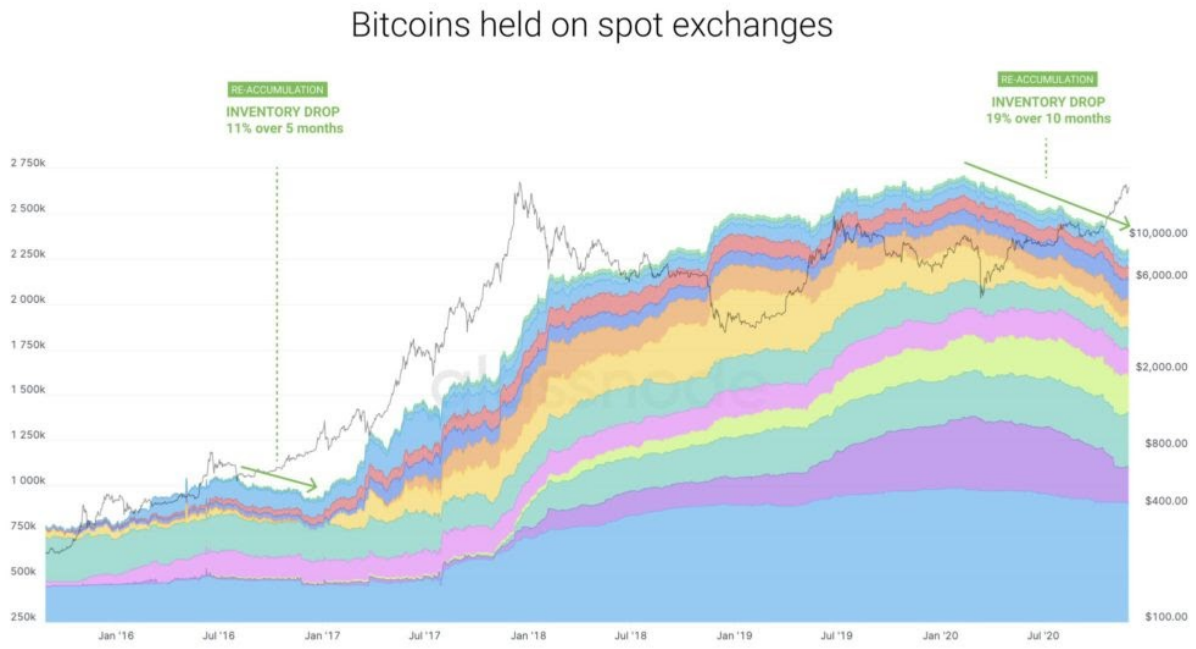
Bitcoin 2021 Predictions

As you know, we're not obsessed with the price of Bitcoin. We're obsessed with its potential for freedom. But gaining and protecting wealth is a part of that. And cryptocurrency is a powerful tool for growing and concealing wealth, and for private trade. That said, let's get into it.

The price of all perceived assets rises and falls based on supply and demand. It doesn't matter what the reason is for the demand, just that it is present. In Bitcoin's case, there is tremendous demand to hold it as a speculative financial instrument. The digital gold meme has permeated the institutions causing institutional FOMO.

Meanwhile, the supply, or inventory, of available bitcoin on markets is on a bigger decline than at the beginning of the previous bull market. In other words, the supply being consolidated and hodled, not available for purchase, has grown larger during this lead-up. This lack of supply, while institutions

buy up gobs of remaining inventory, can drive the market to crazy highs if other institutions FOMO.



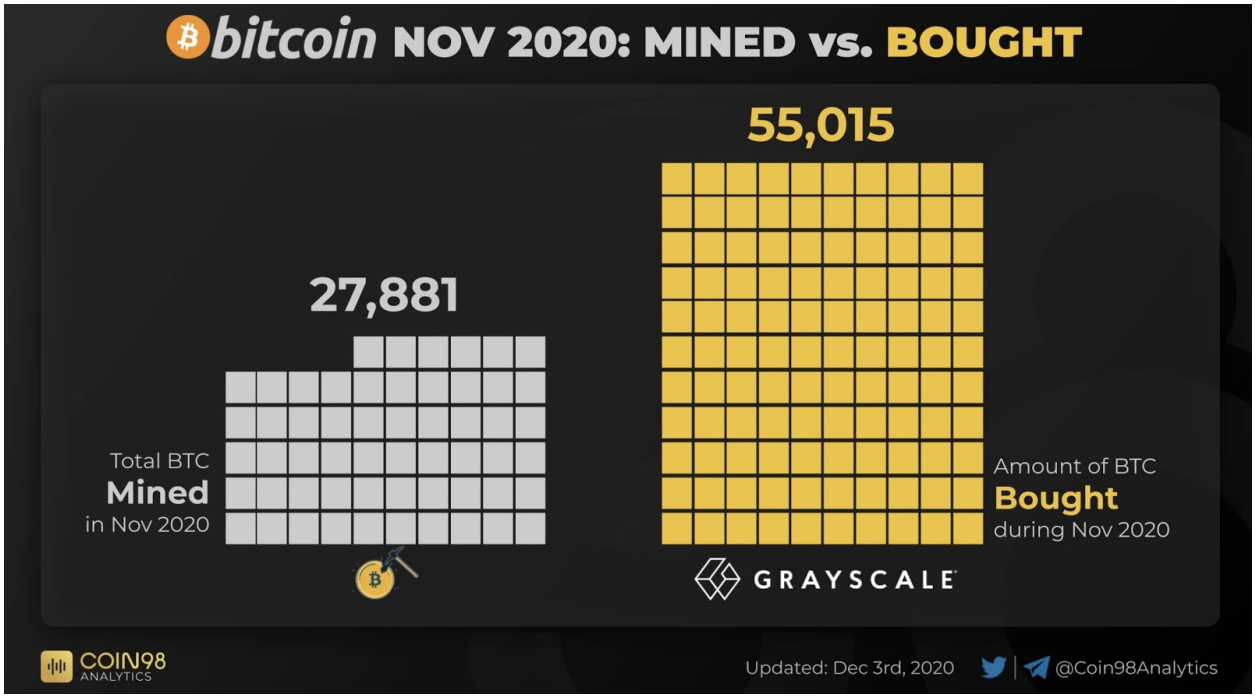
Bitcoin has an inelastic supply, meaning more BTC cannot be created to ease the rise in price. This is a very important concept to understand. What happens when the price of gold rises dramatically? More prospecting and mining occurs resulting in a spike in supply. That can't happen with cryptocurrency with hard supply limits.

Institutional Buying

The much rumored "institutional buying" is finally happening, led by Grayscale, PayPal, and Microstrategy.

Grayscale runs the Grayscale Bitcoin Investment Trust (GBTC) with shares traded on the OTCQX. The GBTC grew their holdings

from 261K bitcoins to over 607K in 2020. And they seem to be buying up all they can find. In November 2020, Grayscale bought almost double the amount of new bitcoin supply that was mined for the month. They now hold over $22B in crypto.



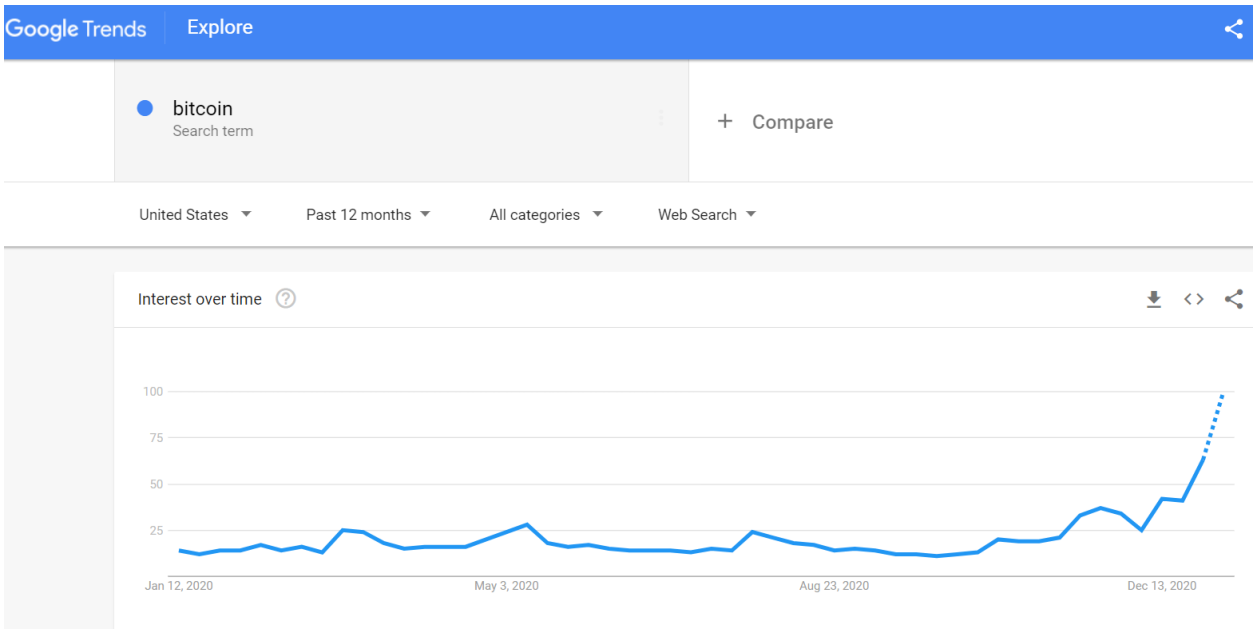
In October, PayPal announced that it is adding support to “buy, sell and hold cryptocurrency.” This service officially kicked off in mid-November, right around when the price really started to spike. Over 300 million PayPal users with access to purchasing bitcoin and other cryptocurrencies will likely start pulling a great deal of inventory into its custody.

Meanwhile, in December, Nasdaq-listed Microstrategy purchased another 29,646 bitcoins, bringing their total holdings to 70,470 (worth $2.5B at the time of this writing).

Also of note, Square purchased 4,709 bitcoins for $50M in October as part of their treasury holdings. That stockpile is currently worth $167,169,500 at the time of this publication just three months later. More than tripling in value.

Although they are considered early adopters, the gains they're generating compared to their competition will all but force other hedge funds, corporate treasuries, pension funds, and investment banks to participate to keep pace. Simply put, FOMO is driving the price parabolic.

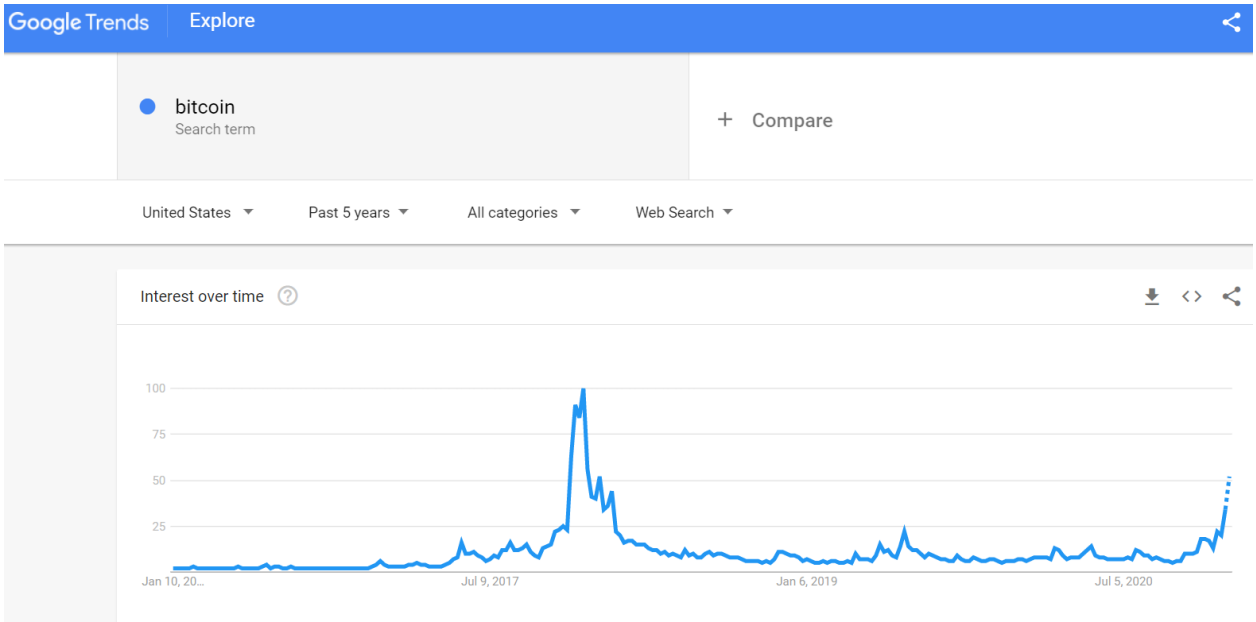
The Hype Cycle



Since markets are mostly psychological, a good indicator of current and future price is the Google search volume for "bitcoin," which has grown 6X since October. To put that in perspective, the price increased just over 3X during that time. So search interest in bitcoin has grown twice as fast as the price, indicating that the

“hype cycle” will likely continue to drive prices higher. And the hype is far from its previous peak.

The 5-year chart of Google bitcoin trends show that the hype cycle is not yet halfway to the previous highs set at the 2017 market peak.



The hype cycle and price create a feedback loop. When public interest in Bitcoin increases, the price goes up. And when the price goes up, public interest in Bitcoin increases. This cycle must play out until the market is saturated with pedestrian euphoria at insane gains. That moment is often illustrated by the famous story about a shoe-shine boy giving Joe Kennedy stock tips in 1929, causing him to believe the market was overbought and to sell everything right before the crash.

That doesn’t mean that every time your distant cousin, a random friend-of-a-friend, or an Uber driver asks you about Bitcoin that it

is in a bubble on the verge of bursting. Bitcoin and cryptocurrency is still a loooong way from mass adoption. Even as it approaches an overall market cap of $1 trillion, it still represents a tiny sliver of market share compared to other financial assets.

However, it's still worthwhile to gauge when we have hit peak psychological euphoria for this current cycle because it can help you take some profits and reduce exposure to the inevitable correction.

When To Take Profits

Even if you are not a trader, it is wise to consider taking some of your crypto gains off the table before the peak and correction. Today, it's much easier to trade into a USD stablecoin like USDT or USDC compared to cashing out to dollars in a bank account. So taking some profits is as easy as moving some crypto into stablecoins on the way up. That way your wealth is protected and still "hidden" in dollar tokens.

Timing the peak is difficult to predict. But as long as you have a plan to take profits on the way up, you should be well protected. My plan going into this bull run is to eventually move 50% of my crypto holdings into USDC along the way while holding 50% to ride out the storm all the way to the next cycle and beyond. By 50%, I'm referring to the number of coins, not their dollar value.

What's the Peak Price?

How high will bitcoin peak in this bull market? One metric worth looking at is the multipliers above the previous tops. The 2013 pump peaked at 37X its previous high while the 2017 pump peaked at 17X its previous high. The multiplier in 2017 was less than half of the previous multiplier and is likely to be smaller this time as Bitcoin pushes into the trillions of dollars. In other words, it takes A LOT more money to drive a 20X multiplier on the $20K previous high.

Bitcoin Bull Runs

	2011	2013	2017	2021?
Multiplier above previous top	(First Major Top)	37x	17x	??x
What was the top?	$31	$1,153	$20,078	$???,???
How far did it fall? (after peak)	94% ($2)	85% ($173)	84% ($3,191)	

If this pattern holds, an 8X multiplier (half of previous multiplier) for Bitcoin is not just conceivable, it's conservative compared to some estimates. That would result in a price peak of $160K/BTC (previous high of $20K x 8). Additionally, if the pattern holds, the price could correct by around 80% leaving the after corrected price at $32,000/BTC. As such, I'm not selling any BTC below $32,000.

If you're more interested in timing the market, I recommend following Colin Talks Crypto and watching his recent videos here and here. He is a technical trader who curates a bunch of data in an attempt to predict and time the big moves in cryptocurrency.

Threats To The Bubble

In my view, the biggest threats to this pump are government overreach or the implosion of Tether.

The 2013 pump and dump occurred around the time the US government took down Silk Road. In short, it halted the main use for bitcoin at the time. The 2017 pump culminated with the government cracking down on ICOs, the main use of crypto during that bull run. This 2021 pump may result in the government banning "DeFi" – schemes to borrow and lend without a regulated third party – the primary use of crypto leading up to this bull market. Once the hype cycle and price reach a fever pitch, you should expect greedy government regulators claiming more jurisdiction of decentralized finance.

Tether: Tether is notoriously intransparent. No one knows whether they have enough dollars or crypto reserves to cover every USDT in circulation. Some believe that they are creating new Tether without backing in order to pump the crypto market. As the US government seeks to regulate stablecoins and ban those without a banking charter, Tether could be on the chopping block. It may not go away altogether, but any heavy handed action against Tether could depress the current bull market.

Other Cryptocurrencies to Watch in 2021

Although Bitcoin has absorbed much of the new money so far in this cycle, other cryptocurrencies are bound to experience similar if not higher gains. Here are a few that I own and will be monitoring for gains.

Ethereum (ETH) – The Ethereum blockchain has a near monopoly on the token and DeFi markets. In fact, transaction volume on the Ethereum blockchain already regularly exceeds Bitcoin by double. When new investors discover that, ETH's gains could be higher than BTC's by the peak of this cycle. However, ETH faces its own scaling issues resulting in very high fees, leaving the door open to competitors.

Cardano (ADA) – Cardano is an ETH competitor as a token platform that was founded by one of the original ETH developers who aimed to solve its scaling issues. Cardano is already rising faster than many similar platforms and has deals with many token projects struggling to scale on ETH.

Stellar (XLM) – Stellar is a decentralized competitor to Ripple (who's currently getting smacked by govt). Stellar was founded by Ripple's original CTO and was built to correct XRP's shortcomings. While many thought Ripple would handle CBDCs for governments, Stellar just signed a deal to help Ukraine launch their CBDC. If deals like that continue, Stellar could capture the perceived value of Ripple. XLMs will likely increase in value.

Bitcoin ABC (BCHA) – All of the smartest and most talented people from Bitcoin Cash are now either building on BCHA or Avalanche. Bitcoin ABC includes the founder and former lead engineer for Bitcoin Cash, Amaury Séchet. Among BCHA contributors and supporters are Vin Armani, Tobias Ruck, Joannes Vermorel, Shammah Chancellor, Antony Zegers, Joey King and more. With stable development funding, BCHA could grow faster than similar projects.

Avalanche (AVAX) – Avalanche is an innovative new proof-of-stake platform for custom transactions and programmable tokens. They boast 4500 tps (transactions per second) with a settlement time of 3 seconds. Compare that to BTC's 7 tps or ETH's 14 tps. Ava Labs was founded by Cornell professor and former Bitcoin Cash supporter Emin Gün Sirer. Along with former BCH developer Gabriel Cardona and a large team, they are building a huge suite of tools quite quickly.

Pirate Chain (ARRR) – ARRR is a newer privacy coin that uses the same zero-knowledge proofs as Zcash, but ARRR is always private where Zcash can be turned on and off. Pirate chain is being hyped by Jack Spirko and Jeff Berwick and it will likely keep being hyped in any discussion around privacy coins going forward. You can now trade ARRR on the Bitcoin.com Exchange.

Bitcoin Cash (BCH) – Despite the painful split in 2020, I still believe that Bitcoin Cash (BCH) has room to move higher. BCH has a lot of adoption on major platforms and Bitcoin.com is fully behind it. It remains fast and cheap with an established token scheme. It works better than Litecoin for payments and it's far

superior for token projects to consider compared to high fees and slow confirmations on ETH.

I’m also following Monero, Zcash, ONG and PEG to a smaller degree because I own them and think they are unique projects.

All in all, it looks like 2021 is going to be an exciting year for cryptocurrency. Even if you simply hold, you will likely finish the year with more wealth than right now.

BITCOIN & SILVER REPORTS

Bitcoin continued the charge higher last month, breaking out well beyond the previous all-time high. Prices started off around $19,500 in early December, and have climbed steadily higher to the $38K range we're sitting at today. The crypto bull euphoria is in full effect here, as any dips in price along the way have been quickly bought up.

Extreme volatility is back in play, though, as we're looking at a 78% price increase in the past month. Any given day can see a swing of 10-20%, so be prepared to weather some ups and

downs if you're a long-term investor. Timing this market is incredibly difficult for most traders, so we suggest riding the long-term uptrend instead of trying to trade around this volatility.

On the news front, just about everything looks bullish for Bitcoin. The latest large-scale institutional buyers are coming in from corporate treasuries and insurance companies, which further legitimizes Bitcoin as a store of value. Microstrategy shocked the business world last month when they announced they had invested just over $400 million of their corporate treasury into Bitcoin. Just recently they announced they've added over $600 million more to that hoard, bringing the total above $1.1 billion worth of Bitcoin. With this move, other corporations are taking notice and are preparing to hold Bitcoin in their company coffers as well.

In addition to that, and perhaps far more significant, is that life insurer MassMutual announced they had acquired $100 million worth of Bitcoin, and it took a 5% stake in the company it used to acquire its Bitcoin. MassMutual is a 169-year-old insurance behemoth, under the strictest of regulations, and it can only invest its life insurance premiums in the safest assets imaginable. The fact that they've chosen to allocate a tiny percentage of their assets to Bitcoin is huge news. The other major insurance carriers are going to line up to follow in MassMutual's footsteps; and knowing this, the company wisely purchased an interest in NYDIG, as they stand to profit tremendously as other companies use them to process large-scale Bitcoin transactions.

On top of this we still have daily demand from PayPal and Square of roughly 900 BTC, meaning that all newly mined Bitcoin is being acquired by these two platforms alone. With this level of user demand, and the large-scale institutional purchases heating up, it's easy to see why prices are starting to go parabolic.

The Grayscale Bitcoin Trust (GBTC) mentioned there's been no slowdown to speak of in terms of capital inflows, and demand is only increasing day by day, with little to no capital outflow.

With all this bullish news, it's difficult to see any reason why Bitcoin prices would pull back at all here, as all signs point to nothing but higher prices. Typically, that's a caution sign when dealing with the markets, so please be prepared. After a 78% move in prices in one month, a sizable pullback is certainly warranted. Predicting when and how far is near impossible, but we wouldn't be surprised with fluctuations of 30-40% in the weeks ahead.

Going forward into 2021, we expect demand to continue increasing as corporations, treasuries, insurance companies, pensions, retirement plans, etc. all start allocating a small percentage of their cash hoards to Bitcoin. The added effect is that these large purchases usually take the BTC out of the market, leading to decreased liquidity, and even more extreme price moves.

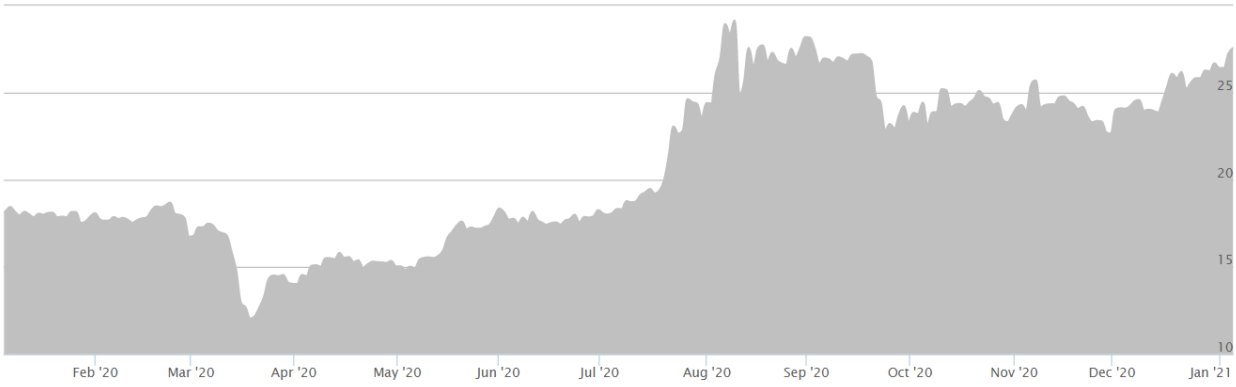
The blue skies breakout is underway for now, and there's no telling where the top will be before we see the next downswing.

Key barriers of $40K and especially $50K could be significant resistance levels though.

For anyone interested in earning 8.6% on a USD stablecoin, or 5% plus on Bitcoin, please visit this link and sign up.
https://countermarkets.com/crypto

For those of you who don't own any Bitcoin, we suggest using BlockFi to take your first position. They've recently added support for ACH transfers, and they offer a nice signup bonus and interest rate in Bitcoin. Be careful with your position sizing; don't invest more than you're comfortable losing. Also expect major volatility, with possible price swings of 50% or more in a matter of days.

Silver Update



Silver has started to move again, posting some impressive gains in the last month. We started off Dec around the $22.50 level, and moved steadily higher up to the $27 level we're at today. We've had about a 4-month consolidation here since July's monster 50% move, and it looks like prices are finally moving again. Last

month's move tacked on 20% to silver, and has us quickly approaching the recent high of about $29.

Large moves like this in silver tend to lead to lengthy periods of consolidation, which is why precious metals are typically considered a "boring" investment. The prices tend to stagnate for long periods of time, and then explode with significant moves higher or lower, only to stagnate again for several months.

Looking out 2-3 years from now, though, it's much easier to see the big picture for both gold and silver. It may be a slow and bumpy ride, but we've got all the pieces in place for a tremendous rally in gold and silver. Inflation targets have been raised by the Federal Reserve, as they've stated the economy will be allowed to run hot. Unemployment benefits have been extended again, more stimulus payments have been made, the Paycheck Protection Program is on round 2, and interest rates are going to remain low for the foreseeable future. And it looks like we'll have Democratic control of the House, Senate and Presidency, meaning easy money policies have little roadblocks. The conditions really don't get much better for precious metals.

The only thing preventing inflation right now is the pandemic, and the fact that people aren't out there spending money like they usually do. Household savings levels are actually at an all-time high, as people have mostly pocketed all the government stimulus. Once the all-clear is sounded and people can start shopping and traveling as they did before, the amount of money that will flood into the economy from consumers will be staggering. We'll see corporate profits grow, home prices grow,

goods and services will become more expensive, and the purchasing power of the dollar will decline. The economy will be flush with dollars, traveling at a speed we haven't seen in decades. Gold and silver have long been the safe haven when inflation arrives, and it will be no different this time.

In the physical bullion market, premiums on silver coins have dropped some. Last month they were about 20% on average, and this month they're still about 15% at most online retailers. Ideally, we'd like to see silver premiums in the 10% range, which is entirely possible should there be no further supply constraints. The dealers have enjoyed some really juicy premiums for these past 9 months, and it looks like they're finally coming back down. You'll probably still have better luck walking into a coin shop than you will online, but the decline in premiums is promising for those looking to acquire physical bullion.

For those of you who want to buy physical silver today, junk silver premiums are in the $2 per ounce range (depending on the face value you're purchasing), about half the premium you'd pay on a 1-ounce coin. This comes to about 7.5% premium, which isn't bad at all compared to the premiums we've been seeing lately.

Looking at the gold/silver ratio – in our last issue it came in at 76, which was still on the high end, historically speaking, but well off the extremes of 90+ we saw a few months back. At this time, we're down to 70, as silver's move was more significant than gold's move last month. The 20-year historical ratio for gold to silver sits at about 60, so we're not too far off here. If silver were to tack on another $4-$5 move, we'd be right at that $60 level.

Even though conditions aren't near a historical extreme, silver is still likely to outperform gold in terms of percentage moves, both up and down, as it tends to be the more volatile of the two metals.

If you don't have any physical bullion, but still want exposure to any price moves higher, look at PHYS or PSLV – both trade just as easily on any stock exchange.

If you're in the market for physical bullion, we'd encourage you to shop from a trusted supplier at Money Metals Exchange.

SNEAK PEEK at next issue (February 2021)

TRENDS & FORECASTING

The Great Migration of 2021

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