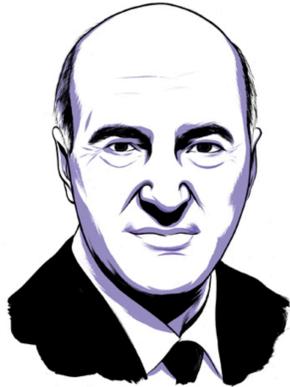


HELPING O'LEARY WITH BITCOIN



Credit: joekimmel.com

I get gold, for 2,000 years, including the Romans, they saw value in owning that as an asset class.

Great place to start. Gold, like all of the elements on the periodic table has a property that is called **unforgeable costliness**. This essential pre-condition is what makes metals and other commodities truly scarce. It is costly to obtain them. A person cannot, as of yet, manifest gold, out of nothing, that would be alchemy.

This is why gold is the oldest store of value that continues to be used by millions of people.

But Bitcoin doesn't have any intrinsic value.

Let's stay with gold and leave the philosophical arguments for the philosophers. Let's examine why gold has value. Well, a portion of its value comes from its utility in jewelry, electronics, etc. But most of its value (approximately 85%) comes from its use as a **monetary asset**.

Who cares? I'm getting bored!

Gold isn't just rare, there are plenty of things occurring less frequently on earth. Platinum for example. But gold has enormous stockpiles when compared to its annual production. In fact, it has the highest of this ratio on earth.

So what? Bitcoin isn't Gold.

Gold's high ratio makes sense when you consider that people have valued gold for many millennia and have therefore hoarded it. It's stock is very high. While it's flow is relatively small. The number that describes this is called the **stock-to-flow ratio (SF)** in the formal literature. Gold's SF is the highest in the world at 62. Silver is next at 22.

I thought we were talking about Bitcoin.

We are. Bitcoin's stock-to-flow is 25 today. And in approximately twelve months, it's stock-to-flow will double due to a pre-programmed event known as the halving. The reward for mining Bitcoin will go from 12.5 BTC to 6.26 BTC. And herein lies the key, stock-to-flow fundamentally drives Bitcoin's price, just as it does for gold.

That sounds very exciting, but also like a scam.

No scam. All over the world, motivated capitalists burn electricity in a process known as mining in pursuit of these valuable bitcoin rewards. In doing so, they are securely processing the transactions between the people who use Bitcoin.

Wrap it up, I need to go make real money.

Bitcoin is just digital gold. It's actually that simple. This makes Bitcoin the next evolution in money. It's money for the age of computers. Anyone who has seen Shark Tank knows that you love money. Now you can use what you know to make yourself a lot more money!