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TOKEN METRICS | INSIGHTS

TOKEN METRICS NAVIGATOR



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Token Metrics Navigator

Crypto Markets Consider U.S. Federal Reserve's Decision

This past Wednesday, the United States Federal Reserve released policy decisions for the rest of 2021 and 2022. Fed Chairman Jerome Powell and the central bank announced the plans of slowing down pandemic stimulus efforts and lifting the short-term benchmark rate.

Fed officials voted to keep rates near zero as of right now, but beginning next year, the central bank will most likely raise interest rates at least three separate times. Simultaneously, the Fed will also reduce its bond purchases by \$30 billion every month, twice the current \$15 billion withdrawals every month.

Equity and crypto markets both reacted positively to this announcement. Many strategists are calling the Fed's announcement a "sigh of relief" as the uncertainty of the central bank's actions has now been eliminated.

The central bank's current monetary policy of near-zero interest rates and substantial bond purchases was formed to stimulate the economy after the Covid-19 slowdown. In turn, this loose policy has helped U.S. equities soar to all-time highs. But it has also caused consumer prices to surge, leading to a 39-year high rate of inflation. It is clear that this inflation rate is the basis for the Fed's decision to tighten monetary policy.

Bottom line: The tightening of monetary policy may not be all that good for crypto. We still have yet to see a decoupling of Bitcoin from traditional equity markets; however, once this occurs, inflation will actually boost the price of Bitcoin and other cryptocurrencies. Many crypto investors seem to attribute the Fed's \$120 billion-a-month bond purchasing program with bitcoin's appeal as an inflation hedge. Now is as good as ever for Bitcoin to decouple from traditional equities and pave a path of its own.



Coinbase and CoinMarketCap’s Glitch That Turned Us All into Billionaires

If you’re like us, you irrationally check crypto prices throughout the day, and if you happened to have been satisfying that urge on Coinbase or CoinMarketCap on Tuesday this week, you would have been elated to see that you were an overnight billionaire.

Due to an API glitch on CoinMarketCap’s platform and a bug on Coinbase’s platform, users saw crypto prices skyrocket. The price of a single Bitcoin rose to nearly \$900 billion with a market cap of \$323 quadrillion, a single Ethereum rose to nearly \$200 billion with a market cap of \$2 quintillion. Even single stablecoins like USDC rose to \$42 billion each.

Unfortunately, as many of us expected, these prices were not real and we all had to call our bosses back and tell them that we were just joking about quitting. @NeoWiseFP on Twitter jokingly tweeted, “My Coinbase account is up almost \$59 Billion in less than 5 minutes. I quit my job and I’m free for the next hour. AMA,” and CoinMarketCap tweeted “How did it feel to be a trillionaire for a couple hours?”

Bottom line: None of us are crypto billionaires (yet) and this is a good reminder to keep an eye out for scams on the internet. As the saying goes, if it is too good to be true ... it probably is.

#	Name	Price	24h %	7d %	Market Cap
1	Ethereum ETH Buy	\$179,598,602,169.65	+4783498169.61%	+4156895029.37%	\$1,999,995,385,850,859,264
2	USD Coin USDC	\$42,042,904.73	+4204184677.57%	+4205547255.00%	\$561,104,876,310,344,448
3	Binance Coin BNB Buy	\$33,520,911,478.17	+6403295439.15%	+5772381678.79%	\$684,375,797,127,975,936
4	Tether USDT Buy	\$69,894,267.23	+6988892570.31%	+6985750738.00%	\$486,847,051,503,394,240
5	Bitcoin BTC Buy	\$850,867,136,053.72	+1823553043.04%	+1676251948.38%	\$323,288,607,824,061,888



Only 10% of Bitcoin's Supply Left Unmined

At the beginning of this week on Monday, December 13th, the total circulating Bitcoin supply officially hit 90%. Satoshi Nakamoto, Bitcoin's pseudonymous creator, set a hard cap of 21 million coins on its supply. This means that there can only ever be 21 million Bitcoins in existence. Data from Blockchain.com shows that Bitcoin's circulating supply is at 18.902 million coins, hitting the milestone of 18.9 million on Monday.

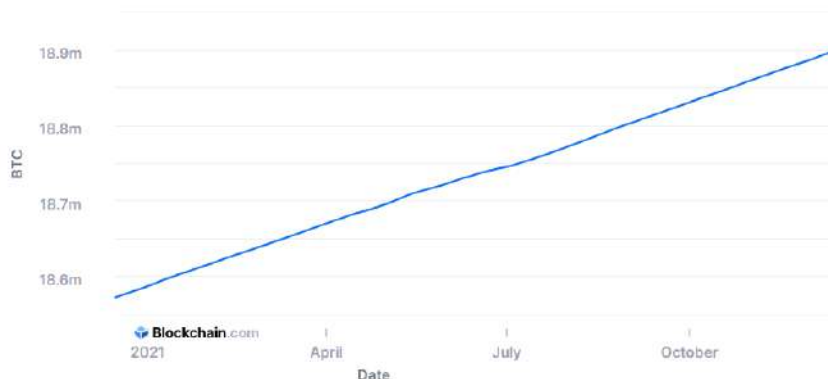
It took approximately 12 years for users to validate and mine 90% of Bitcoin's supply, while it is estimated to take almost 120 years for the rest with the last coin being mined by 2140. Due to Bitcoin halvings, when the reward for mining Bitcoin transactions is cut in half every four years, the mining difficulty will only continue to increase.

Since the last halving in May 2020, mining rewards decreased from 12.5 BTC to 6.25 BTC per new block verified. This rate will decrease to 3.125 BTC per block in the next halving in 2024. By 2040, each block reward will net miners less than 0.2 BTC and Bitcoin's remaining supply will decrease to 80,000. The last Bitcoin will take close to 40 years to mine.

Bottom line: The demand for Bitcoin has only risen in 2021 with major institutions such as UBS, Citigroup, and MicroStrategy purchasing Bitcoin or Bitcoin ETFs. The likely trend is that these institutions will only increase their Bitcoin holdings and many more institutions will bring billions of dollars with them. With this ever-increasing demand, and Bitcoin's inherent capped supply/scarcity, we have a positive outlook on the long-term price of Bitcoin.

Total Circulating Bitcoin

The total number of mined bitcoin that are currently circulating on the network.





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