

Good Morning News

Decentralized News Organization

STUCK-TO-LOW



The year is 2140. Good Morning News is now published in more than 35 countries and is waiting to cover the anticipated celebration of Bitcoin's last halving event. As thousands of avatars step off their hoverboards and crowd the virtual town square, the question on everyone's mind is, what will happen to the price of Bitcoin after its last halving event? When will I be able to buy my virtual electric Lamborghini? Wen Mars?

By 2140, over 130 Bitcoin halvings are scheduled to have taken place since Satoshi Nakamoto first introduced the "...peer-to-peer version of electronic cash..." that would allow people to skip the centralized financial institutions. Throughout Bitcoin's existence, financial analysts have used various forms of technical analysis or "TA" to discover support and resistance levels, attempting to capitalize on the cryptocurrency's volatility. Enter the stock-to-flow model.

Cryptocurrency analysts have adopted the stock-to-flow model because of its similarities to

commodities like gold. Like gold, Bitcoin has a limited supply or scarcity, and both are now looked at as stores of value. Simply put, the stock-to-flow value divides the number of bitcoins available in the market relative to the amount produced (mined) each year, taking into account halving events. While this model has historically correlated to the price of bitcoin, critics have sounded the alarm, questioning the model's reliability in 2022. Noting significant decoupling, reputable critics like Ethereum co-founder Vitalik Buterin recently denounced the theory and explicitly called the practice "harmful."

Using the Buy Bitcoin Worldwide live stock-to-flow model, Bitcoin's expected price was anticipated to be above \$110,000 on June 19th, but today trades at around \$20,000. Will the decoupling continue, or will the Bitcoin bulls push through the economic turmoil? Only time will tell, but in the meantime, we will have to sit and watch in the real town squares (without our hoverboards) asking "wen lambo... wen moon?".

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