

## **Bitcoin is an emerging market**

At a \$2 trillion market capitalization, bitcoin is a grain of sand on the beachhead of the financial markets. By comparison, the market cap of the S&P 500 is \$50 trillion. Keeping the story simple and not including fixed income, when the S&P 500 drops 10%, they lose \$5 trillion of value, which is 2.5x the entire market cap of bitcoin. It is intuitive that holders of bitcoin might need to sell their inventory to make up for losses in other markets.

## **Bitcoin is always open**

Bitcoin's market is open 24/7/365 (8760 hours a year), whereas the equity markets are open 6.5/5/252 (1638 hours a year). Bitcoin is open 5x more of the time. Often, a bitcoin holder will have a need for liquidity at a time when the US equity markets just aren't open. Additionally, bitcoin has no circuit breakers or any type of event that could close the market. The only limitation to trading bitcoin is finding a trading partner. This means that when its price is declining rapidly, there is no "timeout" to stop the bleeding. Moreover, the timeout will occur in the more liquid markets, leaving people no choice but to sell their bitcoin to raise needed funds during a crash.