

million. The innovation here isn't just the cap, but the fact that there's nothing any human being can do about it, no matter how powerful they are. You can mobilize every army on Earth, as well as their nuclear weapons, and you won't produce an additional satoshi (a common denomination of bitcoin, where 100 million satoshis, or sats, equal 1 bitcoin) above the cap (which is technically fewer than 21 quadrillion satoshis).

It's quite a privilege to hold an asset that has an absolute supply cap. There is nothing else like it. Yes, there are things in the world that are rare — like the sneakers I'm wearing right now — but there is no network placing its value in those sneakers. Bitcoin has an enormous network of people holding \$2 trillion of account balances in bitcoin, an absolutely scarce asset. The difference is that one holds value and the other doesn't. The real leverage point, however, when it comes to bitcoin's outstanding returns, is the fact that literally everything else increases in supply. We all know that fiat currencies are being endlessly printed, as well as stocks and bonds (and altcoins), having no limit to the units that can exist. Even real estate finds a way to increase in supply when markets get hot enough. If gold had a 10x increase in value, you could be sure that there would be far more resources directed to the discovery and mining of new gold.

Bitcoin's massive price increases are so unique because they cannot result in the creation of more bitcoin. It only becomes more expensive to mine it. Since prices converge to

their marginal cost of production, the price increases beget more mining, which begets more mining difficulty, which begets a higher marginal cost to produce, which ultimately begets a higher price.

When every other asset increases in supply, they will all ultimately leak the value that they store, and that value will be absorbed by bitcoin. This is incredibly intuitive. Think of Michael Saylor and the bitcoin users who followed his advice in 2021, prior to the known event of unprecedented money printing. Astute market participants took their account balances out of the assets that would have increased in supply, and placed them in assets that don't (of which the only one to ever exist is bitcoin). Those who did this were gigantic winners, and this isn't lost on the losers. These winners will continue to move their account balances out of uncapped assets and into bitcoin, and every day, more and more people are catching on that it's an all-time winning strategy. Laggards will continue to be outperformed by ordinary folks and will also serve as exit liquidity for bitcoin winners who want to take their gains. This continuous process will keep decentralizing coins more and more, as earlier adopters divest to newcomers as they live off the fruits of their gains. Bitcoin returns will be superior as long as it competes with other assets whose supply increases. The value of bitcoin is ultimately everything in the world divided by 21 million units, and nothing will change this.