

THE BIG SQUEEZE

Why Bitcoin Wins With or Without You

The Forces Driving Capital Into a Fixed Supply

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The Big Squeeze: Why Bitcoin Wins With or Without You

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To My Family:

The best investment I ever made.

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Chapter 1

Strip It Back

You’ve probably heard someone say Bitcoin is the future. You’ve probably also heard someone say it’s a scam. The strange part is, both of those people sound equally convinced — but neither one can show you why.

And that was my problem too. I’d been in Bitcoin since 2021, riding the highs, white-knuckling the lows, and somewhere along the way I began to question what I was doing. The truth is my conviction was borrowed. Built on podcasts and price charts and people who sounded smarter than me. And when the market stayed down, that borrowed conviction began to evaporate.

So I decided to stop listening to everyone else and do the work myself. No narratives. No opinions. No price charts. Just the things I could verify with a calculator and a browser.

The thinking framework is called *first principles*. The idea is simple: instead of accepting what everyone tells you about something, you strip it all the way back. Throw out every assumption. Every narrative. Every opinion. And ask: what is actually, provably, mechanically true here? What survives when you remove all the inherited thinking? Separate truth from hope and assumptions.

So I started again. From the beginning. And what I arrived at was a clear signal — one that stays true regardless of what the narrative of the day happens to be.

I’ve documented everything in this book. If you stick with me through the next hundred or so pages, I think you’ll see what I saw — that the most compelling case for Bitcoin has almost nothing to do with belief, and everything to do with simple math. From there, you can make your own decisions.

But first, we need to tear a few things down.

A note on numbers: this book was written in early 2026, when Bitcoin traded at approximately \$67,000 with a market cap of roughly \$1.3 trillion. The specific dollar amounts will change by the time you read this. The ratios and percentages won't. Focus on the proportions, not the price tags.

The Assumptions You Don't Know You're Making

Most people who have an opinion about Bitcoin — for or against — are building it on a pile of assumptions they've never examined. That's not a criticism. It's just how we're wired. We absorb the prevailing wisdom and move on. But if you want to understand what's actually happening here, you need to stop and check what you're standing on.

Here are the big ones.

“Money needs a government.”

Does it? For most of human history, money was whatever people agreed had value. Shells, beads, salt, gold. Governments didn't create money — they adopted it, stamped their face on it, and eventually took control of it. The idea that money requires a government is only a few centuries old. It's a convention, not a law of physics.

What's provably true: money is any medium that a group of people reliably accepts as a store of value and medium of exchange. That's it. No king required.

“Inflation is normal and necessary.”

This one's interesting because it's technically true in our current system — central banks target roughly 2% annual inflation as policy. But “normal” and “necessary” are doing very different jobs in that sentence. Inflation is normal *right now*, because we designed the system to produce it. Whether it's *necessary* is a completely separate question. Before central banking, prices generally held their value over long periods — the average annual inflation rate before

the Federal Reserve was created in 1913 was just 0.4%, compared to 3.5% after.

What's provably true: inflation is a policy choice, not an economic law. Systems can function perfectly well without it.

“Bitcoin has to replace the money we currently use.”

I think this is the assumption that trips up more people than any other.

Walk into most conversations about Bitcoin and someone will say: “But you can’t buy coffee with it” or “It’ll never replace the dollar.” And you know what? Maybe they’re right. Bitcoin is slow for everyday transactions right now, it’s volatile in the short term, and nobody’s paying their electricity bill in satoshis anytime soon.

But here’s the thing: ***it doesn’t even matter.*** And this book will show you why.

The Distinction That Changes Everything

There’s a difference between money, currency, and capital — and most people use these words like they mean the same thing. They don’t. And getting this wrong is what leads people to dismiss Bitcoin before they’ve actually understood what it is.

Currency is what you buy coffee with. It’s the thing in your wallet or your bank app. US dollars, euros, yen. It needs to be fast, stable, and widely accepted. By itself, Bitcoin isn’t great at this. For now. But it doesn’t need to be.

Money is broader — it’s any system that stores value, acts as a unit of account, and facilitates exchange. Gold was money for millennia, even when nobody was using it to buy bread.

Capital is stored value. It’s wealth you hold, move, and grow. Your retirement fund, your investment portfolio, the equity in your house. Capital doesn’t need to be fast or convenient for buying lunch. It needs to be reliable, verifiable, and hard to debase.

Bitcoin doesn't need to replace your credit card. It just needs to be a credible form of capital.

And here's the thing: it already is. Every major Bitcoin product launched in the last two years — the ETFs, the custody solutions, the corporate treasury strategies — treats Bitcoin as capital, not currency. BlackRock's IBIT fund holds approximately 782,293 actual Bitcoin in cold storage.¹ They're not building a payment network. They're building an *asset class*.

In March 2026, the SEC and CFTC jointly classified Bitcoin as a “digital commodity” — not a currency, not a security, but a commodity.² That's the same classification as gold, oil, and wheat. The regulators aren't saying Bitcoin is money. They're saying it's an asset. And that's exactly the classification that unlocks the big boy money.

Larry Fink, the CEO of BlackRock — the largest asset manager on the planet, responsible for over \$10 trillion — described Bitcoin in late 2025 as a “store of value” and “an alternative in the same way there is a role for gold.”³ When the man who manages more money than anyone on Earth tells you something is a store of value, that's not a hint. That's a signal.

So What's Actually True?

Right. Narratives stripped. Assumptions binned. Now let's rebuild from what's left. What can we say about Bitcoin that is provably, mechanically, verifiably true?

There will never be more than 21 million.

The technical maximum is actually 20,999,999.9769 Bitcoin, due to how the code rounds block rewards through each halving.⁴ But let's call it 21 million. This isn't a promise from a CEO or a policy from a central bank — it's enforced by code that anyone can read, running on a network that no single entity controls (more on why that matters later). As of late March 2026, approximately 20 million Bitcoin have already been mined.⁵ That's over 95% of all the Bitcoin that will ever exist. The remaining ~1 million will trickle out

over the next century, with the supply of new coins halving roughly every four years.

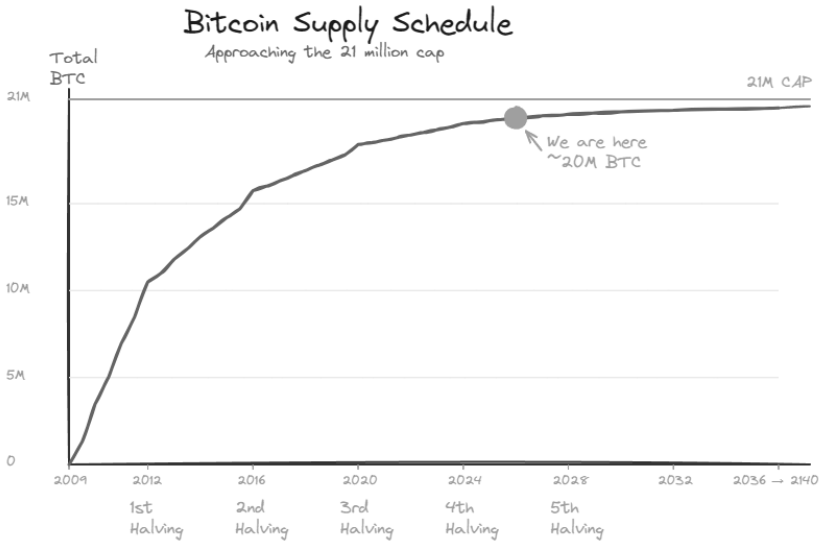


Figure 1.1: Bitcoin supply curve

Figure 1.1: Bitcoin supply schedule — approaching the 21 million cap

Currently, miners produce about 450 new Bitcoin per day — around \$30 million worth at current prices.⁶ After the next halving in approximately April 2028, that drops to about 225 per day.⁷

The entire daily output of new Bitcoin is less than what a single large hedge fund might allocate in a morning.

Any Change in Price Is Driven Entirely by Demand

Unlike every other monetary system humans have ever used, Bitcoin's issuance is completely predictable. You know exactly how many new coins will be created today, next year, and in 2140 when the last fraction of a Bitcoin is mined. No central bank can print more. No government can change the schedule. No company can issue more shares.

This doesn't mean Bitcoin is automatically *valuable*. But it means the supply side of the equation is mathematically fixed. Locked. Done. Which means any change in Bitcoin's price — up or down — is driven entirely by one thing: demand.

Contrast that with something like company shares. A business can issue more stock whenever it wants — diluting existing holders and increasing supply. Or a central bank can print more currency, expanding the money supply and eroding purchasing power. Bitcoin can't do either. The supply is set. The only variable is how much people want it.

That's not an opinion. It's hard-coded.

Anyone can verify it.

The Bitcoin blockchain is a public ledger. Every transaction since January 3, 2009 is visible to anyone who cares to look. You can independently verify the total supply, the mining schedule, and the entire transaction history without trusting a single institution. Try doing that with your bank balance.

No single point of control or failure.

Bitcoin runs on a decentralised network of tens of thousands of nodes across dozens of countries. There's no headquarters to raid, no server to shut down, no CEO to subpoena. China banned Bitcoin mining in 2021. Within months, the network had relocated and was operating at higher capacity than before. Basically one of the largest nation-states in the world tried to kill it, and failed.

What This Means (and What It Doesn't)

None of this tells you Bitcoin's price will go up. None of this tells you to buy it. And none of this makes Bitcoin "better" than the dollar for buying groceries.

What it tells you is this: Bitcoin is a digital capital asset technology — something that could only exist because of the advances in modern technology that gave us the internet. It is a functioning system with fixed supply, predictable issuance, no single point of control, and hard-asset

properties that no physical asset can replicate: instant portability across borders, trustless verification by anyone, self-custody without intermediaries, and divisibility down to one hundred-millionth of a unit. It has increasing recognition as a legitimate capital asset by the world's largest financial institutions.

It doesn't need to replace anything. It doesn't need everyone to understand it. It doesn't need to become the world's reserve currency.

It just needs to exist — as an option. As a place where capital can go.

The interesting question isn't *what* Bitcoin is. We've answered that.

The question is what happens when even a fraction of the world's capital decides to move toward it.

That's what the rest of this book is about.

Chapter 2

Magic Internet Money

You’ve probably heard it. Maybe you’ve said it.

“Bitcoin? It’s just magic internet money. It’s not backed by anything. It’s not even real.”

Fair enough. If you’ve never had it properly explained, that’s exactly what it sounds like. A made-up number on a screen, traded by techno-libertarians and gambled on by twenty-year-olds with nothing to lose. Worthless. Imaginary. Soon to disappear.

Before I tell you what Bitcoin actually is, I want to ask you something.

Is the cash in your wallet real? Have a look. It’s a piece of cotton-paper with a politician’s face on it, declared by a government to have value. The number in your bank account? That’s a digital entry on a server you’ve never seen, held by an institution that has loaned out *several times* what you deposited the moment you handed it over. Your house? Backed by a piece of paper at the council that says you own it — until someone in a courtroom or a parliament or a war says you don’t.

Every form of “real” money you’ve ever used is a fiction held together by collective agreement. The only question worth asking is which fiction is the most durable.

I know what you’re thinking. *Sure, but cash works because everyone agrees on it and the government enforces it.* And you would be right. It’s also the entire game. Let me show you why.

* * *

The Fake Money You’ve Been Using

A central bank (which you don’t get to vote for) — the Federal Reserve in the US, the ECB in Europe, the RBA in Australia — sets interest rates and decides how much money exists in the economy. When they want more

money in the system (the same money you work hard for), they create dollars (or euros, or yen) out of nothing — literally, with a keystroke — and use them to buy government bonds from a small group of privileged commercial banks.⁸

In the United States, those banks are called “primary dealers.” There are about 25 of them — JPMorgan, Goldman Sachs, Citi, Morgan Stanley, Bank of America, and a handful of others — and they are the only institutions on earth allowed to transact directly with the Federal Reserve when it conducts monetary policy. Every other bank, every business, every household has to access the new money second-hand, through them. It’s a closed door, and you’ll never have the keys. The rest of the developed world runs essentially the same model — a small list of pre-approved counterparties standing between the central bank and everyone else.

Here are the seven steps to creating more money, the actual mechanic that nobody is ever taught:

1. The central bank decides it wants more money in the system.
2. It creates new dollars at the keystroke. Not borrowed. Not earned. Created on a screen.
3. It uses those new dollars to buy government bonds from the primary dealers.
4. The primary dealers, having just sold their bonds, now hold those new dollars as fresh reserves at the central bank.
5. With more reserves on their balance sheet, they can extend more loans into the wider economy.
6. Each loan creates a new deposit at another bank, which can then lend out a multiple of what was deposited. This is called fractional reserve banking.
7. By the time the new money reaches your business loan or your mortgage, it has passed through three or four institutions, each of which collected a margin on the way through.

The money you borrow for a house, a car, a business doesn't come from someone else's savings. It's created at the moment of the loan, by the bank, out of nothing. Banks make obscene profits by lending you money that doesn't even exist (it's the greatest business model in the world).

Every new dollar that enters the system dilutes every existing dollar. This isn't a bug. It's how the system is designed to work. Central banks openly *target* roughly 2% inflation per year — which is a polite way of saying they engineer your savings to lose 2% of their purchasing power every year, on purpose.⁹ The real number ends up being considerably higher, because the government you *did* vote for has election promises to fund, and funding those requires more money. So as you may have noticed, in practice the rate of dilution has been well above 2% for years.

In 2020 alone, the US Federal Reserve created over \$3 trillion new dollars and used them to buy bonds.¹⁰ Roughly 22% of every US dollar in existence was created in a 24-month window.¹¹ The European Central Bank ran a €1.85 trillion pandemic emergency purchase programme over the same period. The Bank of England, the Bank of Japan, the Bank of Canada — every major central bank did the same in proportion. The same money you work hard for. No vote. No referendum. Just a keystroke.

Your bank balance is a number on a screen, your cash is paper, and the system that prints it dilutes your savings on a schedule. And you're worried Bitcoin isn't real?

* * *

Why You Use It Anyway

Once you see how money actually works in 2026, the “Bitcoin isn't backed by anything” objection starts to look embarrassing. The dollar is backed by the promise of an institution that has openly committed to diluting it.

So why does everyone still use it? Not because it's a great store of value. Because legal tender laws make it the only acceptable form of payment, your taxes must be paid in it, and the courts will only enforce contracts denominated in it. That's a real form of backing. It's just not the kind anyone wants to admit out loud. The dollar is held in place by the coercive power of the state, not by its quality as money. It's a currency you're required to use, designed to lose value over time.

So if something like Bitcoin threatens this system, could governments ban it? Some have tried. China banned it three times. Nigeria, Russia, India — all attempted some version. Each time, the network kept running. Banning a network spread across tens of thousands of independent computers in dozens of jurisdictions turns out to be roughly as easy as banning the internet. So the next move is to *control* it instead — tax it, regulate it, custody it through preferred institutions, license its on-ramps. They will get some of that. They have already got some of that. But the protocol itself does not bend. There is no headquarters to lean on, no CEO to subpoena, no developer with the authority to change the rules. A currency that a government can fully control is, by definition, not Bitcoin.

Now let's talk about what Bitcoin actually is.

* * *

What Backs Anything?

Strip back the question. What backs *any* asset?

Gold. A yellow rock that's pretty and useful for a few industrial things. What gives gold value isn't some mystical property. It's that gold is scarce, hard to dig out of the ground, and humans have collectively agreed for thousands of years that it represents wealth. Scarcity plus production cost plus collective agreement. That's it.

Property. A house has value because the land it sits on is in a finite location, building it costs labour and materials, and a piece of paper at the council says

it's yours — backed by the courts and the police if anyone tries to take it. Scarcity plus production cost plus enforcement.

Cash. Backed by the promise of a government that it will accept those notes for taxes, and by the collective agreement of everyone in the economy that these particular pieces of paper represent value. Mostly the second part.

Every asset on earth is backed by some combination of three things: scarcity, the cost to produce more, and collective agreement enforced by something — courts, governments, or in Bitcoin's case, code.

Bitcoin happens to have the cleanest version of all three. Absolute scarcity (21 million, no exceptions). A measurable, verifiable production cost (electricity and computation). And collective agreement enforced not by any one country's legal system, but by tens of thousands of independent computers in dozens of countries that all check each other in real time.

Let's look at how that production cost actually works. Because this is the part most people have never had explained properly, and it's the part where the lightbulb tends to go on.

* * *

Proof of Work — The Energy That Makes It Real

Imagine a global competition. Every ten minutes, computers around the world race to solve a difficult mathematical puzzle. The puzzle is deliberately useless — it has no purpose other than being hard. The first computer to solve it gets to add the next page to Bitcoin's ledger and is rewarded with newly created Bitcoin.

That's it. That's mining, in plain English.

Solving the puzzle requires running specialised hardware (called ASICs) at full power, twenty-four hours a day. It costs serious money in electricity and equipment. Currently, miners around the world collectively use energy equal to roughly 150 terawatt-hours of electricity per year doing this — comparable to the total electricity consumption of a mid-sized country.¹²

Now here's the important part. **Every Bitcoin in existence has real, measurable energy embedded in it.** Not as a metaphor — as physics. Every coin that exists today represents electricity that was used and hardware that was depreciated to bring it into being. You can't fake it. You can't print it. You can't deepfake it. You can't conjure one with a keystroke. To create a Bitcoin, you have to do the work — and the work costs real energy in the real world.

A natural follow-up question lands here: does it cost more to make a Bitcoin than the going market price? Sometimes it does. The all-in cost of producing a Bitcoin, for the average miner, currently sits somewhere in the range of \$40,000 to \$80,000 per coin, depending on hardware efficiency, electricity prices, and the network's mining difficulty.¹³ That number doesn't sit still. When the market price runs ahead of cost, more miners switch on, the network's difficulty automatically adjusts upward to keep the ten-minute block time, and the marginal cost of mining a coin rises to meet the price. When price falls below cost, the least efficient miners shut down, difficulty drops, and the marginal cost falls back into balance. The two are tied together by a feedback loop the protocol itself enforces. The takeaway: real energy is being spent to produce these coins on a continuous basis, and the cost of producing one is on the same order of magnitude as the cost of buying one. There is no cheap shortcut hiding somewhere.

This is what proof of work means, and it's what separates Bitcoin from everything else calling itself a cryptocurrency. Most other cryptos cost essentially nothing to produce. Most have a founder, a foundation, or a company that can issue more whenever they like. Most can be created by a few keystrokes on a server somewhere. They are not Bitcoin. They are not even close. They are software companies with tokens attached.

Bitcoin has no shortcut. You expend the energy, or you don't get the coin.

Every Bitcoin in your wallet represents real energy that was expended to create it. That's not a metaphor. That's physics.

I know what some of you are thinking. *But the energy use! Bitcoin is destroying the planet!* Let's deal with this one quickly. The global banking system uses nearly twice as much electricity as Bitcoin does, and gold mining uses about the same again — combined, the financial infrastructure Bitcoin would partly replace consumes more than three times the energy.¹⁴ That's before you count the offices, the data centres, the ATMs, the printing of physical cash, and the armoured trucks driving it around. Tumble dryers globally use more than Bitcoin does.¹⁵ Nobody's writing think pieces about the environmental cost of dryers.

Bitcoin uses energy because *energy is what backs it*. Strip the energy out and you have nothing — like every other crypto. You don't get to call something the most secure money ever invented and then complain that it's secured by something measurable. The energy isn't a side effect. It's the entire point.

It's also worth noting that Bitcoin miners are remarkably good at finding stranded energy that would otherwise be wasted. Hydroelectric overflow, vented gas at oil fields, geothermal sites in remote places no transmission lines reach. They go where energy is cheapest, which is often where energy is being flared off for nothing. The largest miner in the United States runs largely on wind and solar that the grid couldn't otherwise absorb.¹⁶

But park all that. The point is simpler than the energy debate. Bitcoin is real because the energy used to make it is real. You can measure it in megawatt-hours. You can point to the data centres. You can stand next to a mining rig and feel the heat coming off it. It is, in the most literal sense possible, a physical process.

* * *

Tens of Thousands of Identical Ledgers

Now for the second piece. Where does a Bitcoin actually *live*?

It lives on something called a blockchain — and that word, despite the mystical reputation it has acquired, is just a description of what it is. It's a chain of blocks. Each block is a page of transactions; each page is

cryptographically linked to the page before it; you can't change an old page without breaking the link to every page that came after. Think of it as a ledger book where a new page gets added every ten minutes, and every page references the previous one in a way that makes any tampering immediately, mathematically obvious. That is the entire concept. There is nothing mystical about it.

Now, where is this ledger? Tens of thousands of computers around the world — called nodes — each keep an identical copy of every Bitcoin transaction ever made. Anyone can run one. You could run one from your laptop tonight if you wanted to. Banks run them. Hedge funds run them. Governments run them. **The United States military runs one** — recent congressional testimony has confirmed that the Department of Defense is actively researching Bitcoin for applications including power projection and resilient infrastructure.¹⁷ The Pentagon doesn't run nodes for things that don't exist.

Every ten minutes, these nodes compare notes. They check each other's copy of the ledger. If even one transaction doesn't match across the network, it gets rejected. To corrupt Bitcoin, you'd have to simultaneously hack tens of thousands of independent computers in dozens of countries, all running different operating systems, owned by people who don't know each other and have no reason to cooperate. And the moment you tried, they'd all notice within seconds.

Imagine if every household on your street kept their own copy of the local council's property records, and every ten minutes everyone checked everyone else's records to make sure they all matched. Try forging a property title under that system. You'd have to break into every house, change every record, in the same minute, without anyone noticing. And next door's records would still be right.

That's roughly how Bitcoin works, except instead of a street it's the entire planet, and instead of property records it's the ledger of who owns what Bitcoin. There is no central database. There is no master copy. There are tens

of thousands of master copies, all watching each other, all enforcing the same rules, all the time.

Now ask yourself: which is harder to corrupt — that, or the database at your bank?

* * *

No Head, No Login, No Power Switch

This is the part that breaks some people's brains.

There is no head of Bitcoin.

There is no CEO. There is no board of directors. There is no foundation with a marketing budget. There is no headquarters in San Francisco or Singapore. The person who invented it — a programmer (or possibly a group) writing under the pseudonym Satoshi Nakamoto — published the design in 2008, ran the network for two years, and then in 2011 quietly disappeared from every public forum he'd ever posted on.¹⁸ He has not been heard from since. His coins, estimated at around one million Bitcoin and worth tens of billions of dollars, have never moved.¹⁹

That disappearance was not an accident. **It was the entire point.**

If Satoshi had stayed, Bitcoin would have a leader. Leaders can be threatened. Leaders can be subpoenaed. Leaders can be jailed, bought, killed, or simply convinced to change the rules. By disappearing perfectly — by leaving no person, no company, and no foundation in charge — Satoshi made Bitcoin into something no government could capture by going after a single human being.

Even if Satoshi walked into a courtroom tomorrow with verifiable proof of identity, he could not change Bitcoin. He could not raise the supply cap. He could not reverse a transaction. He could not freeze an account. He has no special access. He has no admin password. The rules of Bitcoin are enforced by every node on the network, and those nodes do not care who he is. They follow the code.

There is no login. There is no password. There is no power switch. There is no off-button on a building somewhere. Once you understand this, you begin to see why it has value.

Bitcoin is closer to mathematics than to a company. You can't shut down arithmetic. You can't ban prime numbers. You can't subpoena a constellation. The protocol is a set of rules that runs anywhere a willing computer chooses to run it, and as long as a few people somewhere want to keep running nodes, the network exists. It is a fire that lit itself, in tens of thousands of furnaces around the world. To put it out, you would have to extinguish every single one of those fires at the same instant — and every miner who survived would simply relight it the next day.

There is no head of Bitcoin. No login. No password. No power switch. Once you understand this, you begin to see why it has value.

* * *

The Things You Think Are Safe

If you've come this far still clinging to the "I only believe in physical things you can touch" worldview, let me show you what's happened to those things in living memory.

Gold. In 1933, US President Franklin D. Roosevelt signed Executive Order 6102, making it a criminal offence for any American citizen to own monetary gold.²⁰ Citizens were required to hand in their gold coins, bullion, and certificates to the Federal Reserve in exchange for paper dollars. Refusal carried a fine of up to \$10,000 (roughly \$250,000 in today's money) and up to ten years in prison. The order remained in force for over forty years. This was not a banana republic. This was the United States, less than a hundred years ago. They came for the gold, and most people handed it over.

Beyond seizure, most people who own gold can't actually store it safely. You either trust a vault company (where you don't physically possess it), keep it at home (where it can be stolen), or carry it (where it can be lost). You can't use it to buy your groceries. And it can be faked: counterfeit tungsten-cored gold bars regularly turn up at refiners around the world, and unless you're equipped to scan them, you cannot tell.²¹

Property. Land has been seized by governments throughout recorded history. Compulsory acquisitions. Eminent domain. Wartime confiscations. Communist nationalisations. Council resumptions to widen a road. Title fraud is a multi-billion-dollar industry — criminals forge transfer documents and sell houses out from under owners who didn't know it was happening.²² Your “physical” property, the bricks-and-mortar you can touch, exists legally as a digital entry at the land titles office that someone with the right access can change.

Cash. The most fragile of the lot. In 2013, the Cypriot government, in cooperation with the European Central Bank, simply confiscated a portion of every bank deposit over €100,000 to bail out the banking system. The money was just gone.²³ In 2016, the Indian government, with four hours' notice, declared 86% of all cash in circulation to be worthless overnight, requiring citizens to deposit it in banks or lose it.²⁴ In every banking crisis since 2008, someone somewhere has had their account frozen, their withdrawals limited, or their savings haircut without their consent.

The “real, physical, can't-touch-it” assets you trust have all been seized, faked, or rendered worthless within the past hundred years. Most of them more than once.

Bitcoin has been around for seventeen years. Multiple governments have tried to ban it. China outlawed mining outright in 2021 — what happened? The miners packed up, moved primarily to the United States, and the network was running at higher capacity within months.²⁵ Nigeria tried to ban it. Couldn't. Russia tried to ban it. Couldn't. India regulated it heavily. Network kept running. The protocol simply does not care.

You can argue Bitcoin is risky. You can argue it's volatile. You can argue you don't understand it. Those are honest positions. But "it's not real" and "it's not safe like gold" are arguments that fall apart the moment you actually look at history.

* * *

The Thing AI Cannot Fake

We are walking into an era where artificial intelligence can copy, fake, and replicate almost anything that exists as information. Your voice. Your face. Your handwriting. Your art. Your writing style. Photos. Videos. Documents. Signatures. Phone calls from people who sound exactly like your children. The line between real and fake is about to dissolve in every domain where reality is just a pattern of pixels or a sequence of sounds.

There is one thing AI cannot fake.

Energy that has been expended.

Proof of work is not information. It is a record of a real-world physical event — electricity consumed, hardware aged, time spent. You cannot generate it with a model. You cannot deepfake it. You cannot produce a counterfeit Bitcoin by being clever. You either did the work, in the real world, with real energy, or you didn't. There is no shortcut, and there will never be one, because the cost of the shortcut would be the same as just doing the work.

In a world about to be drowned in copies, the only things that hold their value are the things that fundamentally cannot be copied. Bitcoin is the cleanest example of that on earth. It might also be the most important one.

* * *

So What Is It?

Bitcoin is real. It is backed by energy you can measure. It is secured by mathematics that has held since 2009 without a single successful attack on the protocol itself. It is run by no one in particular and verified by tens of

thousands of strangers who don't trust each other. It cannot be created by decree, diluted by policy, or shut down by raiding a building. It is the first asset humans have ever invented that combines absolute scarcity with no central control.

You don't have to like it. You don't have to buy it. But you don't get to call it "magic internet money" anymore. The magic internet money is the stuff in your wallet, conjured into being by central bankers who have openly committed to debasing it on a schedule.

Now that you know what it is, let's go back to the question that actually matters.

What happens now that the world's capital understands this?

* * *

Chapter 3

Does Anyone Actually Want This?

Here's the part most books skip.

They'll tell you Bitcoin is the greatest invention since the internet. That it fixes money, empowers the individual, and frees humanity from central bank tyranny. And maybe some of that's true. But they almost never ask the uncomfortable question: does the average person actually care?

Because the cold reality is this: Bitcoin could be the most elegant solution ever designed, and it still wouldn't matter if nobody wants what it's solving.

So let's get honest about this.

Most People Don't Want What Bitcoin Is Selling

If you're reading this, there's a decent chance you already understand Bitcoin at some level. But step outside your bubble for a second and think about the average person. Your parents. Your coworker. Your friend who thinks crypto is "that scam thing."

The Bitcoin pitch, in its purest form, is: *be your own bank. Hold your own money. Trust no one.* Sounds powerful, right? But here's what that actually means in practice: you're responsible for your own security. If you lose your seed phrase, your money is gone. Forever. No customer service number. No "forgot password" button. No recourse.

Most people don't want that. Most people would rather trust a bank, reset a password, and get on with their lives. Freedom sounds great in a podcast. It's a lot less appealing when it means one mistake could wipe out your savings.

Self-custody is a feature for the few. Accessibility is a feature for the many.

The data backs this up. Globally, only about 41% of US crypto holders primarily self-custody their Bitcoin.²⁶ The rest keep it on exchanges or in managed funds. They've chosen convenience over sovereignty — and honestly, that's not a failing. It's just how humans work.

Nobody Cares About Inflation (Until They Do)

Here's another uncomfortable truth: most people in developed countries don't think about inflation. Not really. They notice their groceries cost more. They grumble about gas prices. But they don't connect that to monetary policy or currency debasement. It's just "things are getting expensive."

Bitcoin's value proposition as a hedge against inflation is real — but it's latent. It sits in the background, invisible, until crisis makes it obvious.

But go to a country where inflation isn't a background annoyance — where it's an emergency — and the picture changes fast. Argentina's inflation hit roughly 117% in 2024 before dropping to around 31% by end of 2025. Turkey was running at over 30%. Venezuela? North of 270%.²⁷ In these places, your savings lose meaningful value every single week. The currency in your account on Monday buys less by Friday.

And these are exactly the countries where Bitcoin adoption is surging. Nigeria: 32% of adults own crypto. Turkey: 23%. El Salvador: 35%.²⁸ These aren't tech enthusiasts or ideologues. They're ordinary people trying to stop their money from evaporating.

People don't adopt Bitcoin because they understand monetary policy. They adopt it because their money is disappearing and they need it to stop.

That's the pattern. And it's worth remembering: inflation doesn't need to be at Argentine levels to push people toward alternatives. It just needs to be persistent enough, for long enough, that people start looking for a way out.

The 2022–2024 inflation spike in countries like the US, UK, and Australia gave a lot of people their first taste of what that feels like.

Almost Nobody Understands It — And That Might Be Fine

Here’s a stat that might surprise you: an estimated 300–600 million people globally own some form of cryptocurrency, depending on how you count indirect exposure through exchanges and funds. Of those, a significant portion hold Bitcoin specifically.²⁹ That’s not nothing. But here’s the kicker: studies consistently show that around 98% of crypto owners can’t pass a basic literacy quiz about what they actually hold.³⁰

Only 22% could correctly identify what a private key is. Only 14% understood how decentralised finance works. Most people who “own Bitcoin” couldn’t explain what it does or why it matters.

At first, that sounds like a problem. And for the individuals involved, it probably is — you should understand what you’re investing in. But for the broader thesis of this book? It’s actually bullish.

Because it means this: hundreds of millions of people have already decided to put money into something they barely understand. They haven’t been convinced by a whitepaper or a first-principles argument. They’ve been convinced by price, by availability, by social proof, and by the vague sense that this thing isn’t going away.

If hundreds of millions of people bought in without understanding it, imagine what happens when access gets even easier and the case gets even stronger.

The Real Question Isn’t “Does Everyone Want This?”

Here’s where I need to reframe things. Because the question “does anyone want Bitcoin?” is actually the wrong question. It’s the question I was stuck on when my conviction wavered. And it’s a trap.

None of that is required.

It needs three things to happen, and they're all already in motion:

One: institutions allocate small percentages. Not because they're ideologically committed to decentralisation. Because their models tell them a 1–3% allocation to an uncorrelated asset with asymmetric upside makes mathematical sense. This is already happening, and we'll cover it in detail later.

Two: access keeps getting easier. Every year, buying Bitcoin gets simpler. From command-line code in 2009, to exchanges in 2013, to apps in 2017, to ETFs in 2024. Each drop in friction brings a new wave of capital. Your retirement fund can now hold Bitcoin exposure without you ever touching a wallet.

Three: periodic crises reinforce the narrative. Inflation spikes. Banking collapses. Currency crises. Geopolitical instability. Every time the existing system shows cracks, a few more people look for alternatives. And Bitcoin is always there, ticking away, unconcerned.

Where We Are on the Curve

Right now, roughly 4–5% of the global population owns Bitcoin. That sounds small, because it is. But here's the important context: the internet was at about the same penetration in 1995. Mobile phones were there in the early 2000s.³¹

Both of those technologies followed what's called an S-curve — slow adoption at first, then a rapid acceleration once infrastructure and usability hit critical mass, then a flattening as saturation approaches. The early phase looks like nothing is happening. Then suddenly, everyone's using it and you can't remember what life was like before.

Bitcoin is in the early flat part of that curve. The infrastructure build-out is happening right now — ETFs, banking integration, regulatory clarity. The

usability improvements are compounding. And the generational shift is already visible.

51% of Gen Z have owned or currently own crypto. the vast majority of crypto buyers are under 40.³² The generation that will inherit the largest wealth transfer in human history is already more comfortable with Bitcoin than with traditional banking. That's not a trend you bet against.

The Demand Problem Isn't a Problem

Let's recap the numbers. Hundreds of millions of people already hold Bitcoin — and 98% of them can't explain what it is. In countries with triple-digit inflation, adoption rates are running between 23% and 35% of adults. Spot Bitcoin ETFs pulled in over \$35 billion in their first year. 51% of Gen Z already own or have owned crypto, and 94% of all buyers are under 40. The infrastructure — ETFs, banking integration, regulatory frameworks — is being built right now.

None of that required mass understanding. None of it required ideological buy-in. It happened because access got easier, because crises kept showing up, and because a new generation treats this as normal.

Chapter 4

How Big Small Is This Thing?

This chapter is going to feel backwards. Most Bitcoin advocates tell you how big Bitcoin has gotten. How it went from zero to a trillion dollars. How it outperformed every asset class over the last decade. And all of that's true. But it completely misses the point.

The important thing isn't how big Bitcoin has gotten. It's how absurdly small it still is.

The Global Capital Map

Before we can talk about where Bitcoin's going, you need to see where capital actually lives right now. Here's the landscape — and notice the scale of these numbers, because it matters:

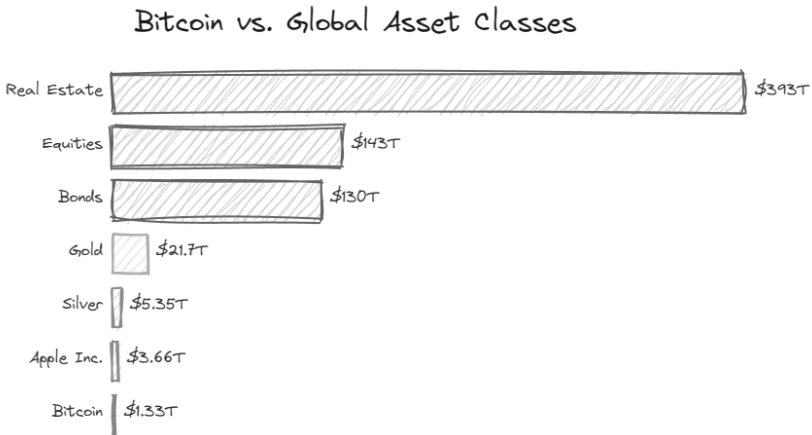


Figure 4.1: Bitcoin compared to global asset classes

Bitcoin — the thing that's been on the front page at one time or another of every financial news site for a decade — is worth less than a single tech company. Apple, one corporation that makes phones and laptops, is nearly three times the size of the entire Bitcoin network.³³

Real estate is worth roughly **296 times** more than Bitcoin. The global bond market is about **98 times** larger. Even gold — the asset Bitcoin gets compared to most often — is over **16 times** bigger.

Bitcoin's entire market cap is a rounding error on the global balance sheet.

Why Tiny Matters More Than Big

Here's what most people get wrong about this. They look at Bitcoin's \$1.3 trillion market cap and think: that's already huge. A trillion dollars. I missed it.

And in everyday terms, sure. A trillion dollars is an incomprehensible amount of money. But capital doesn't move in everyday terms. It moves in percentages. Fund managers don't allocate \$500 million to an asset because they feel like it. They allocate 0.5% of their portfolio because their risk model tells them to. Pension funds don't think in dollar amounts. They think in basis points.

And when you think in percentages, Bitcoin's size isn't impressive. It's almost invisible.

Think of it this way. The global bond market is around \$130 trillion.³⁴ If bond investors collectively moved just 1% of that into Bitcoin, that's \$1.3 trillion — roughly doubling Bitcoin's entire market cap. Not a radical reallocation. Not a paradigm shift. Just one percent.

The Number That Should Make Your Head Spin

I haven't even mentioned the biggest number yet. The global derivatives market has a notional value of roughly \$846 trillion.³⁵ That's not a typo. Eight hundred and forty-six trillion dollars. That's interest rate swaps, credit default swaps, foreign exchange contracts, commodity futures — the financial plumbing that underpins the entire global economy.

Now, notional value isn't the same as actual money sitting in a vault. It's the face value of contracts, and the real economic exposure is much smaller. But it tells you something critical about scale: the financial system is built on layers upon layers of abstraction, and the total numbers are staggering. Bitcoin, by comparison, is barely a footnote.

Even if we use the more conservative "gross market value" of derivatives — about \$22 trillion — that's still over 16 times the size of Bitcoin. The entire Bitcoin network is smaller than the unrealised gains on the world's derivative contracts.

The Football Field

I want to give you a visual, because the numbers alone can be numbing.

Imagine total global wealth as a football field — 100 metres of capital. Real estate takes up nearly 40 metres. Bonds and equities together cover another 27 metres. Gold gets about 2.2 metres. That's a decent strip.

Bitcoin? About **13 centimetres**. Not 13 metres. Thirteen centimetres. Roughly the width of your hand.

That's the thing the entire financial world has been arguing about for a decade. That's what governments have been trying to regulate, what banks have been trying to kill, and what traders have been obsessively charting.

*Bitcoin is 13 centimetres on a 100-metre football field.
Everything else on that field dwarfs it. And capital flows
downhill.*

The Gold Comparison Matters Most

Of all the comparisons on that chart, gold is the one that matters most for the Bitcoin thesis. Not because Bitcoin is "digital gold" — that phrase has become a cliché. But because gold is the closest functional comparison: a

scarce, non-sovereign store of value that people hold specifically because it isn't controlled by any government.

Gold's total above-ground market cap is roughly \$21.7 trillion.³⁶ Bitcoin is about 6% of that. Gold has been accumulating value for five thousand years. Bitcoin has existed for seventeen. If Bitcoin captures even a quarter of gold's market cap, that's roughly a 4x from early 2026 levels. Half of gold puts it at 8x.

And Bitcoin has structural advantages gold doesn't: you can send it anywhere in minutes, verify it instantly, divide it into a hundred millionths, carry a billion dollars of it in your head, and audit the total supply at any time. Gold sits in vaults. Bitcoin moves at the speed of the internet.

That doesn't mean Bitcoin replaces gold. It doesn't have to. Even eating a small slice of gold's lunch is a massive expansion from where Bitcoin sits today.

So What Does This Actually Mean?

Here's what this chapter boils down to. Bitcoin's market cap is currently about \$1.33 trillion. That number sounds large until you compare it to literally anything else in global finance. It's 0.34% of real estate. About 1% of the bond market. 6% of gold. Smaller than Apple.

And here's the critical part: **Bitcoin's supply is fixed.** There will never be more than 21 million. We covered that in Chapter 1. So when new capital enters this market — and we've already shown in Chapter 3 that the demand drivers are real and growing — it's chasing a fixed amount of available coin.

The smaller the asset relative to the pools of capital around it, the less it takes to move the price. Significantly.

You don't need a revolution. A sliver of global capital would be the largest inflow in Bitcoin's history.

In the next chapter, we're going to run the actual numbers. What happens when 0.5% moves. When 1% moves. When 3% moves. The math is simple. The implications are not.

Chapter 5

What Happens When 1% Moves

I'm going to show you some numbers in this chapter. They're not predictions. They're not forecasts. They're not even opinions. They're just math. And a big reason I wrote this book.

Here's the setup. You already know Bitcoin's market cap is about \$1.33 trillion.³⁷ You already know the supply is capped at 21 million. And you already know how tiny Bitcoin is compared to everything else. Now the question becomes: what happens when even a small amount of capital from those vastly larger pools starts flowing in?

Let's find out.

Why Capital Is Moving

Before we run the numbers, there's a question that doesn't get asked often enough: why would any of this capital move in the first place? Fund managers don't rotate into new asset classes for fun. They do it because the risk-adjusted returns on their existing allocations are deteriorating — and because new options offer better diversification.

This isn't an economics book, and I'll keep this brief — but you need to see why the world's biggest money managers are looking for alternatives. Here's the picture most people don't see.

Global debt hit \$348 trillion in 2025 — a record.³⁸ Governments alone added \$10 trillion in a single year. The United States national debt is approaching \$39 trillion, with the federal government now spending over \$1 trillion per year just on interest payments — more than it spends on national defence.³⁹ The US government now pays more to service its existing debt than it pays to fund its entire military.

And here's where it becomes a trap. When debt is this large, the interest payments themselves become the biggest driver of new debt. You borrow to pay the interest on what you already borrowed. The Congressional Budget Office projects that rising interest payments account for more than 100% of the increase in the US federal deficit through 2054.⁴⁰ That's not a typo. The deficit is growing because of interest on the deficit. It's a spiral.

The US government now spends more on interest than on its entire military. And interest is the fastest growing line in the budget.

This isn't just an American problem. Global government debt-to-GDP has climbed above 95%, with the IMF projecting it will exceed 100% by 2029 — the highest since 1948.⁴¹ And the only historically proven way governments have escaped debt loads this large is inflation. You can't grow your way out — the growth isn't fast enough. You can't cut your way out — the politics won't allow it. You can't raise rates to fight inflation without making the debt servicing worse. The only remaining tool is to debase the currency — to let inflation quietly shrink the real value of the debt over time.

This isn't speculation. It's already happening. Global M2 money supply has roughly doubled in the last decade — from around \$60 trillion to over \$120 trillion. That's not growth. That's dilution. Every dollar, euro, and yen in circulation buys less than it did ten years ago. And the effects are visible: property prices have gone parabolic since the Global Financial Crisis. Stock markets are at all-time highs not because the economy is booming, but because the measuring stick — the currency — is shrinking. When the unit of account is being debased, everything priced in it appears to go up. Your house didn't get more valuable. Your currency got weaker.

This is why capital is moving toward hard assets — things that can't be printed, diluted, or debased by policy decisions. It's not a trend. It's a survival response. And it's been building for over a decade. Gold has always been the traditional answer. But gold can't be moved at the speed of the internet, can't

be divided into a hundred-millionth of a unit, and can't be verified without a physical assay. Bitcoin can do all of those things, and it has a supply cap that gold never will.

Governments can't outgrow the debt. They can't cut it. They can't raise rates without making it worse. The only exit is inflation. And inflation is why capital seeks hard assets.

The case for a small Bitcoin allocation isn't ideological. It's defensive. In a world where the denominator keeps expanding, owning something with a fixed numerator starts to look less like speculation and more like common sense. This is why the biggest money in the world is looking for new options — and why even a tiny fraction of it moving toward Bitcoin changes the math dramatically.

Scenario 1: Institutional Portfolio Allocation

The global pool of investable assets — equities, bonds, real estate funds, alternatives — is roughly \$250 trillion.⁴² That's the money managed by pension funds, sovereign wealth funds, endowments, insurance companies, and asset managers. The professionals.

These institutions don't make allocation decisions based on vibes. They follow models. And increasingly, those models are telling them that a small allocation to Bitcoin makes sense — not because they're Bitcoin believers, but because an uncorrelated asset with asymmetric upside improves risk-adjusted returns. For context: gold typically sits at 5–10% of institutional portfolios.⁴³ Bitcoin is asking for a fraction of that.

Here's what the numbers look like:

A half-percent allocation — which most portfolio managers wouldn't even notice in their rebalancing — nearly doubles Bitcoin's market cap. A 1% allocation almost triples it. At 3%, you're looking at a price somewhere north

THE BIG SQUEEZE

of \$440,000 per Bitcoin. At 5% — which is still half of what many institutions allocate to gold — you’re approaching \$700,000.

BTC Price at Different Allocation Levels

Allocation Capital Inflow BTC Price Multiple

Allocation	Capital Inflow	BTC Price	Multiple
0.5%	\$1.25T	~\$130K	1.9x
1%	\$2.5T	~\$193K	2.9x
2%	\$5T	~\$320K	4.8x
3%	\$7.5T	~\$445K	6.7x
5%	\$12.5T	~\$697K	10.4x

*Based on \$250T global investable assets, current BTC market cap \$1.33T, ~19.85M BTC in circulation.
Base case: 1% allocation.*

Scenario 2: The Gold Substitution

Gold’s total above-ground market cap is about \$21.7 trillion.⁴⁴ It’s been humanity’s go-to store of value for five thousand years. But increasingly, Bitcoin is being discussed as a digital alternative — not by fringe anarchists, but by the same institutions that already hold gold.

The question isn’t whether Bitcoin replaces gold entirely. Don’t get lost in that debate — it’s the wrong one. The question is: what if it takes a slice?

Gold → Bitcoin Substitution

BTC Captures\...	Value Flowing In	New BTC Market Cap	Implied Price	Multiple
10% of gold	\$2.17 trillion	\$3.50 trillion	\$176K	2.6x
25% of gold	\$5.43 trillion	\$6.75 trillion	\$340K	5.1x
50% of gold	\$10.85 trillion	\$12.18 trillion	\$614K	9.2x
100% of gold	\$21.7 trillion	\$23.03 trillion	\$1.2M	17.4x

Based on gold market cap ~\$21.7T (World Gold Council, Q1 2026).

Even the most conservative row — Bitcoin capturing just 10% of gold’s role — puts the price near \$176,000. That’s roughly 2.6x from early 2026 levels. And Bitcoin has concrete advantages over gold in a digital world: it’s portable, divisible, verifiable, and auditable in real time. Gold has history. Bitcoin has utility. The market will price both.

Scenario 3: Skimming New Money

This is the scenario people almost never talk about, and it might be the most powerful one.

The global M2 money supply — the total amount of money in circulation — is currently around \$96–105 trillion, depending on how you measure it.⁴⁵ And it grows every year. Central banks create new money. Governments run deficits. Credit expands. Historically, global M2 has grown at roughly 6–8% per year. That’s somewhere between \$6 trillion and \$8 trillion in *brand new money* entering the system annually.

Now here’s the key insight: Bitcoin doesn’t need to pull money out of existing allocations. It just needs to absorb a thin slice of the new money being created.

New Money → Bitcoin (Annual)

% of New M2	Annual Inflow	5-Year Cumulative	5yr Price Impact
0.5%	\$35–40 billion	\$175–200 billion	+15% market cap
1%	\$70–80 billion	\$350–400 billion	+30% market cap
3%	\$210–240 billion	\$1.05–1.2 trillion	+~80% market cap
5%	\$350–400 billion	\$1.75–2.0 trillion	+~150% market cap

Based on \$7T average annual M2 growth. Cumulative figures assume constant annual capture over 5 years.

This one is subtler than the others. The annual inflows are smaller. But they compound. And critically, they don't require anyone to sell anything. No one has to dump their bonds or their real estate. The money didn't exist last year. It's being created right now. And some of it is finding its way to Bitcoin.

Bitcoin doesn't need to steal from other assets. It just needs to catch a few drops from the firehose of new money being printed every year.

Now Put It All Together

Here's where it gets interesting. Those three scenarios aren't mutually exclusive. They're all happening simultaneously. Institutions are allocating. Gold substitution is in motion. And new money is being created every single day.

So what happens when you stack even the conservative ends of each scenario?

Combined Scenario: Conservative Base Case

Source	Inflow
0.5% institutional allocation	\$1.25 trillion
10% gold substitution	\$2.17 trillion
1% of new M2 (5-year cumulative)	\$0.35–0.40 trillion
Total new capital	~\$3.77–3.82 trillion
Implied BTC market cap	~\$5.1 trillion
Implied price per BTC	~\$257,000
Multiple from today	~3.8x

Conservative assumptions: lowest allocation %, 10% gold capture, 1% of new money over 5 years.

The *conservative* base case — using the lowest assumptions from each scenario — implies a Bitcoin price of roughly \$257,000. Nearly 4x from early 2026 levels. And that’s the floor of this analysis, not the ceiling.

Bump institutional allocation to 3%, gold capture to 25%, and new money absorption to 3%, and you’re looking at implied market caps well above \$15 trillion. That’s \$750,000 or more per Bitcoin.

It doesn’t even require most people to understand what it is. It requires only a tiny percentage.

A Note on Power Law Models

Other models exist that project Bitcoin’s long-term trajectory. The most well-known is the power law model, which fits a logarithmic regression to Bitcoin’s entire price history and projects a long-term growth corridor.⁴⁶ These models are interesting, and they tend to arrive at similar conclusions to the scenarios above.

But I’m deliberately not building this book on models. Models can be argued with. They have assumptions baked in. They can be dismissed as curve-fitting.

The scenarios in this chapter are different. They're not predictions. They're just math: what if X% of Y flows into Z? You can disagree with the percentages. You can argue that institutions won't allocate even 0.5%. You can believe gold will never lose ground. That's fine. But you can't argue with the multiplication.

And if the forward-looking math isn't enough, here's what the backward-looking data says. Fidelity's institutional research team studied a standard 60/40 portfolio — 60% global equities, 40% bonds — over the ten-year period from 2014 to 2023. Without any Bitcoin exposure, the portfolio returned 71% cumulatively. With a modest 5% allocation to Bitcoin (rebalanced quarterly), cumulative returns rose to approximately 157%. The Sharpe ratio — the standard measure of risk-adjusted return — jumped from 0.63 to 1.15, an improvement of over 80%. Maximum drawdown increased only marginally, from 16.7% to 18.3%.

Roughly double the return for barely any additional downside risk. That's not a Bitcoin fanatic's fantasy. That's Fidelity's research department, working with real data, published for institutional clients.

BlackRock's analysis landed in a similar place. They concluded that a 1–2% allocation to Bitcoin in a traditional portfolio contributes roughly the same share of overall risk as holding any seven large-cap stocks — a negligible share of overall portfolio risk. At those levels, you're not making a bet on Bitcoin. You're making a bet on diversification. And diversification is the one free lunch in finance that every institutional investor already believes in.

Run Your Own Numbers*I've built a free online calculator that lets you plug in your own assumptions. Want to see what happens if institutions allocate 2% instead of 0.5%? Slide the bar. Think gold substitution is unrealistic? Set it to zero. Curious about what 5% of new money does over ten years? Go for it. The calculator is at [/\[thebigsqueezebook.com\]](http://thebigsqueezebook.com)— and the point of it isn't to convince you of any particular number. It's to let you see, with your own inputs, just how little it takes to move the needle on an asset this small.*

The Uncomfortable Part

Here's what makes these numbers uncomfortable. They're not based on Bitcoin going mainstream. They're not based on the US adding to the Bitcoin Strategic Reserve or any government making it legal tender. They're not based on some utopian future where everyone uses Bitcoin for coffee.

They're based on boring, incremental, already-happening trends: fund managers ticking a box on an allocation form. ETF inflows. Central banks printing money. Young investors treating Bitcoin as normal. A slow, grinding rebalancing of global capital.

None of it requires a revolution. All of it is already in motion.

But there's a catch. These scenarios assume that capital flows into Bitcoin the way it flows into other assets — smoothly, gradually, efficiently. It doesn't. Bitcoin has a bottleneck that no other asset has, and it changes everything about how these numbers play out in the real world.

That bottleneck is the subject of the next chapter. And it's the reason “the squeeze” isn't just a metaphor.

Chapter 6

The Bottleneck

This is the chapter where the math gets interesting. Not complicated — interesting. Because everything up to this point has been math. Simple inputs, simple outputs. But the real world doesn't work like a calculator.

Before we go further, I want to make sure we're on the same page with a concept, because it's the key to everything that follows.

Linear means proportional. If you put \$1 in and get \$1 of effect, that's linear. Like filling a swimming pool — each bucket adds the same amount of water. The hundredth bucket raises the water level by exactly the same amount as the first bucket did. Predictable. Proportional. Boring.

Bitcoin doesn't work like a swimming pool.

Bitcoin works like a garden hose connected to a water bottle. Same flow in, but the container changes everything. And the more water you try to push through, the more pressure builds.

The scenarios in the last chapter showed you how much capital could flow in. This chapter shows you why the effect of that capital is dramatically larger than the numbers suggest.

The Price Isn't What You Think It Is

Here's something that trips up almost everyone who looks at Bitcoin's market cap: the price isn't set by consensus. It's not determined by averaging what every holder thinks their Bitcoin is worth. It's not calculated from some fundamental valuation model.

The price is set by the **last buyer and the last seller who agreed on a number**. That's it. One transaction. On any given day, the vast majority of Bitcoin doesn't move at all. The price you see on CoinGecko is just the most recent agreement between two parties on an exchange somewhere.

This is called the marginal price, and it's how every asset works — stocks, gold, real estate. But with Bitcoin, it matters more than usual. Much more. Here's why.

The Available Supply Is Razor Thin

Of the roughly 19.85 million Bitcoin that exist, most of it isn't for sale. Not at any price. About 14.8 million BTC — nearly 75% of the circulating supply — hasn't moved in over a year.⁴⁷ That's Bitcoin sitting in cold storage, in long-term holder wallets, in lost addresses, in ETF custody. It's off the market.

The amount of Bitcoin actually sitting on exchanges — available to be bought or sold — is about 2.3 million BTC.⁴⁸ And that number has been falling steadily for years. In early 2022, it was over 3.2 million. People are pulling their Bitcoin off exchanges and into long-term storage. The available pool is shrinking.

Bitcoin Supply Breakdown

Category	Amount	% of Supply
Total mined to date	~19.85M BTC	100%
Unmoved \>1 year (long-term holders)	~14.8M BTC	74.5%
Estimated lost/inaccessible forever	~3–4M BTC	15–20%
Held on exchanges (available to trade)	~2.3M BTC	11.6%
New BTC mined per day	~450 BTC	—

Sources: Glassnode, CryptoQuant, Blockchain.com, March 2026.

Look at that table. Out of 19.85 million coins, roughly 2.3 million are on exchanges. And not all of those are for sale — many are just parked there. The actual order book depth at any given moment — the Bitcoin you can actually buy right now, at or near the current price — is a fraction of that.

Order book analysis from institutional researchers shows that a single \$500 million market buy on major exchanges would move the price by 3–5%.⁴⁹

Half a billion dollars. That's pocket change for a sovereign wealth fund. And it moves the needle by three to five percent.

Bitcoin's market cap is \$1.33 trillion. But the actual liquid, available-to-buy supply is a sliver of that. That's the bottleneck.

New Supply Is a Trickle

Meanwhile, the fresh supply coming into the market is tiny. After the April 2024 halving, miners produce about 450 new Bitcoin per day.⁵⁰ At ~\$66,800 each, that's roughly \$30 million worth of new supply daily.

Now compare that to demand. During peak periods in 2024, US spot Bitcoin ETFs alone were absorbing \$500 million to over \$1 billion per day in inflows.⁵¹ That's 15 to 30 times more demand than new supply. Every single day.

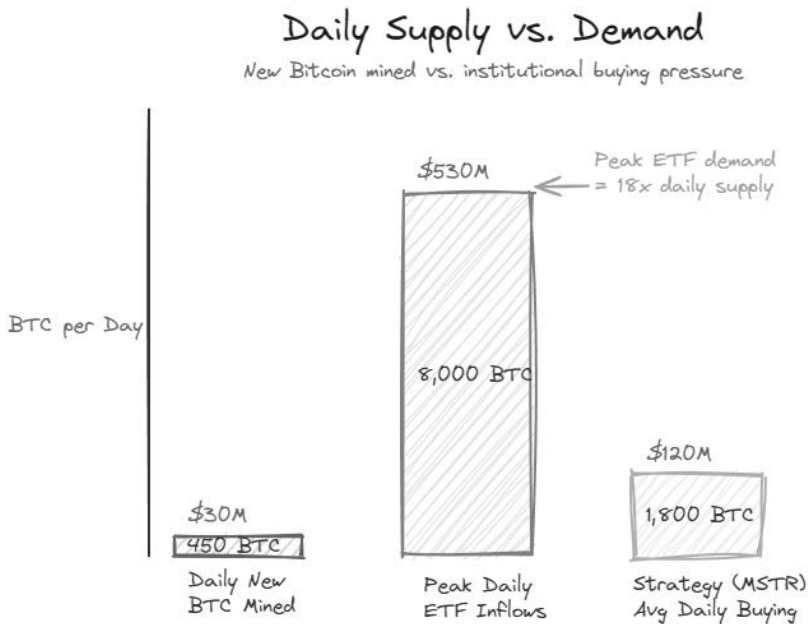


Figure 6.1: Daily new supply vs demand

And here's the thing: this is just ETF demand. It doesn't include individuals buying on exchanges. It doesn't include companies like MicroStrategy accumulating. It doesn't include sovereign wealth funds, pension allocations, or the institutional capital we talked about in Chapter 5 that's still on the sidelines.

Where does the extra Bitcoin come from? Only one place: existing holders willing to sell. And the price has to move up enough to convince them.

This Is the Squeeze

Now you can see why I called this book *The Big Squeeze*. It's not a metaphor I'm stretching to make a point. It's a literal description of what's happening. Picture a garden hose connected to a water bottle. The hose is global capital — trillions of dollars managed by institutions, held by individuals, created by central banks. The water bottle is Bitcoin's supply — 21 million coins, most of which aren't for sale.

Right now, the tap is barely open. Institutions are beginning to allocate. ETFs are funnelling in capital. Retail access is expanding. It's a steady drip. But even that drip is already 15–45 times more than the bottle's intake can absorb from new mining.

Now imagine the tap opens a little more. Not a flood. Just a few more percentage points of institutional allocation. A few more countries legalising Bitcoin ETFs. A few more pension funds ticking the box. The hose doesn't need to blast. It just needs to flow steadily.

But the bottle doesn't get bigger. The cap doesn't expand. 21 million is 21 million. And every four years, the halving cuts the new supply in half again. The next halving, in April 2028, will reduce mining output to roughly 225 BTC per day — about \$15 million in new supply at current prices.⁵²

Why This Isn't Linear

This is where it all connects. Go back to the scenarios in Chapter 5. We said a 0.5% institutional allocation would add roughly \$1.25 trillion to Bitcoin's market cap. But that calculation assumed the capital flows in smoothly and gets absorbed evenly. It doesn't.

In reality, that \$1.25 trillion of demand would be chasing about 2.3 million coins on exchanges — and probably far fewer at any given price level. The price doesn't just go up. It goes up disproportionately, because each dollar of new demand is competing for a shrinking pool of available supply.

This is what non-linear means in practice. A \$1 billion inflow doesn't raise the market cap by \$1 billion. It can raise it by \$5 billion, \$10 billion, or more — because the marginal price moves, and that new price gets applied to all 19.85 million coins, not just the ones that traded.

If someone buys 1,000 BTC on an exchange and pushes the price from \$66,800 to \$68,000, the market cap just increased by \$23.8 billion. But the buyer only spent about \$67.4 million. The ratio of market cap increase to actual capital deployed is roughly 350:1.

In an illiquid market with fixed supply, small amounts of capital create outsized price movements. That's not speculation. It's mechanics.

The Halving Ratchet

Every four years, Bitcoin's mining reward gets cut in half.⁵³ In 2009, miners earned 50 BTC per block. Today it's 3.125. After 2028, it'll be 1.5625. The new supply entering the market drops by 50% on a fixed schedule that cannot be changed by any person, company, or government.

Each halving tightens the squeeze. Less new supply means existing holders have even more pricing power. Buyers have to bid higher to convince long-term holders to sell. And the cycle reinforces itself.

Bitcoin Price: Before and After Each Halving

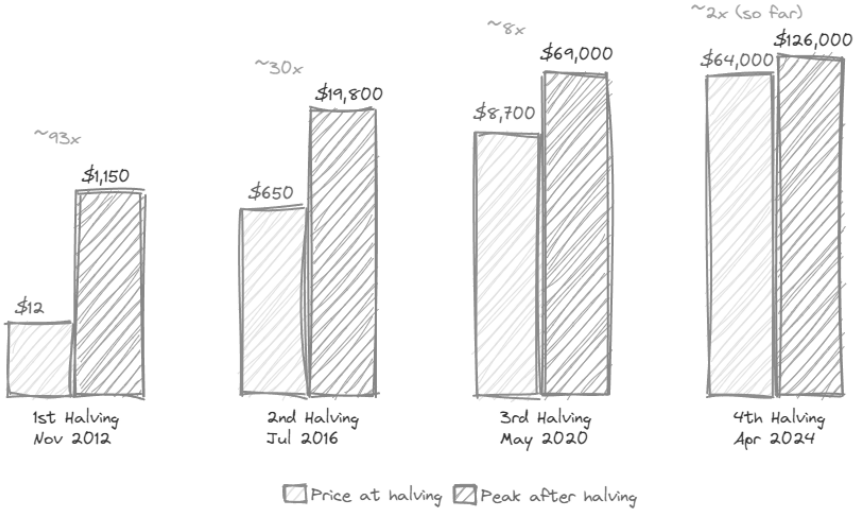


Figure 6.2: Bitcoin price before and after each halving

The Container Can't Expand

This is the part that separates Bitcoin from every other asset. When gold gets expensive, miners dig more. When oil prices rise, frackers drill. When stock valuations soar, companies issue new shares. Supply responds to demand. It's how markets self-correct.

Bitcoin can't do this. No entity can issue more supply to ease the pressure. The supply schedule is written in code, enforced by consensus, and completely indifferent to what the market wants.

The capital flows we discussed in Chapter 5 aren't hypothetical. They're already in motion. And they're flowing into an asset with a supply structure that doesn't bend.

Bitcoin doesn't need a flood. It just needs a steady drip into a container that can't expand. And the drip is already running.

THE BIG SQUEEZE

In the next chapter, we'll look at who's turning the tap — and why the biggest, most conservative capital allocators in the world are doing things today that would have been unthinkable five years ago.

Chapter 7

Follow the Money

If you've been following the logic of the last few chapters, there's a question that should be nagging at you. It's the question every smart sceptic asks, and it deserves a direct answer.

If the math is this obvious, why hasn't it happened already?

Fair question. Here's the answer: the infrastructure didn't exist.

Before January 2024, there was no spot Bitcoin ETF in the United States.⁵⁴ That matters more than you'd think. A pension fund managing \$500 billion can't just open a Coinbase account and buy Bitcoin. They need regulated vehicles. They need custody solutions that meet fiduciary standards. They need compliance frameworks. They need products that fit inside their existing allocation models.

None of that existed until very recently. The plumbing has been built in the last two years. The water is only just starting to flow through it.

A better framing: why would it have happened before now? The tools didn't exist. Now they do.

When BlackRock Builds a Product, Pay Attention

On January 10, 2024, the SEC approved eleven spot Bitcoin ETFs simultaneously.⁵⁵ BlackRock, Fidelity, Invesco, Franklin Templeton, ARK Invest — the biggest names in asset management all launched Bitcoin products on the same day. This wasn't a fringe experiment. This was the financial establishment building the on-ramp.

BlackRock's iShares Bitcoin Trust (IBIT) hit \$10 billion in assets under management in approximately seven weeks.⁵⁶ That's the fastest any ETF has ever reached that milestone. The previous record holder took over two years.

In their first twelve months, US spot Bitcoin ETFs collectively absorbed over \$35 billion in net inflows.⁵⁷

BlackRock doesn't build products on a whim. They don't launch ETFs because they think Bitcoin is cool. They build products because their clients — sovereign wealth funds, pension funds, endowments, family offices — are asking for them. And their clients are asking because their models are telling them what the math in Chapter 5 told you: even a small allocation makes mathematical sense.

Key Institutional Milestones

Date	Entity	Action
Aug 2020	MicroStrategy	First corporate BTC treasury purchase (\$250M)
Oct 2021	ProShares	First US Bitcoin futures ETF (BITO) launched
Jun 2023	BlackRock	Files for iShares spot Bitcoin ETF
Jan 2024	SEC	Approves 11 spot Bitcoin ETFs simultaneously
Q1 2024	Wisconsin pension	\$160M allocation to spot BTC ETFs disclosed
Oct 2024	Houston firefighters	Pension fund allocates to Bitcoin
Mar 2025	US Government	Strategic Bitcoin Reserve executive order (~200K BTC)
Mar 2026	SEC/CFTC	Bitcoin classified as “digital commodity”

Sources: SEC filings, Bloomberg, executive orders, pension fund disclosures.

The Pattern

Look at that timeline and you'll see a pattern. First they ignore it. Then they study it. Then they build products for it. Then they allocate. Every step takes years, because institutions move slowly. But once the infrastructure is in place, the capital follows.

We're in the "build products and begin allocating" phase. The ETFs exist. Custody solutions are operational. Regulatory classification is happening. The pension funds that couldn't allocate two years ago now can. The sovereign wealth funds that had no vehicle now have one.

And here's what's important: most of them haven't moved yet. The \$35 billion that flowed into ETFs in year one sounds impressive, but it's a fraction of a fraction of institutional capital. The Wisconsin pension fund's \$160 million allocation is a single data point. Most pension funds are still in the "study" phase. Most sovereign wealth funds haven't disclosed any allocation at all.

We have not seen the world's largest pools of capital move yet.

The Corporate Treasury Play

MicroStrategy — now rebranded as Strategy — has been the most aggressive corporate buyer of Bitcoin. As of March 2026, the company holds approximately 762,099 BTC, worth roughly \$57.7 billion.⁵⁸ Their strategy is simple: use corporate balance sheet and capital markets to accumulate Bitcoin as a treasury reserve asset. With a debt-to-equity ratio of roughly 0.16 and an average cost basis around \$75,700 per BTC, the position is significant but not overleveraged in the traditional sense. The key risk is concentration: the bulk of their convertible debt matures between 2028 and 2032, meaning any severe drawdown during that window could force difficult decisions.

You can argue about whether this is genius or reckless — and we'll look at the risks in Chapter 10. But what you can't argue with is the signal it sends. A publicly traded company, with a board, shareholders, and SEC reporting obligations, has converted its treasury into Bitcoin. And its stock price has reflected the thesis.

Other companies have followed. Tesla held Bitcoin briefly. Block (formerly Square) holds it. Corporate treasuries in Japan, Europe, and the Middle East have made allocations. It's not mainstream yet, but the playbook exists.

Governments Are Playing Too

El Salvador adopted Bitcoin as legal tender in September 2021 and has accumulated over 7,500 BTC. The US government signed an executive order in March 2025 establishing a Strategic Bitcoin Reserve using approximately 200,000 BTC seized through law enforcement.⁵⁹

And in March 2026, the SEC and CFTC jointly classified Bitcoin as a “digital commodity” — the clearest regulatory signal yet that Bitcoin isn’t going away.⁶⁰ That classification matters because it removes the single biggest barrier institutions have cited for years: regulatory uncertainty. That excuse is evaporating.

What to Watch, Not What to Listen To

There’s a lot of noise in the Bitcoin space. Influencers making price predictions. Politicians grandstanding. Media running clickbait headlines. Ignore all of it.

The signal isn’t in what people say. It’s in what they do. And what the biggest, most conservative capital allocators in the world are doing is building infrastructure, launching products, and beginning to allocate. Quietly. Systematically. Irreversibly.

BlackRock doesn’t build a product and then shut it down. Pension funds don’t build compliance frameworks for a fad. Governments don’t create strategic reserves for things they plan to ban.

I want to be explicit about something, because it’s the connective tissue of this entire book. The products being built and the laws being passed are not speculation about what might happen. They are quantifiable, verifiable evidence of the intention to allocate. You don’t spend hundreds of millions of dollars building custody platforms, ETF infrastructure, and regulatory frameworks for an asset you plan to ignore. You don’t classify something as a digital commodity and then walk away from it. These are not signals of curiosity. They are signals of commitment. The two prerequisites for institutional capital to flow into Bitcoin — regulatory clarity and accessible

THE BIG SQUEEZE

investment vehicles — are both being met right now, simultaneously, across multiple jurisdictions. That's not coincidence.

But there's another force that's widening the funnel even faster than institutions: access. And that's what we'll look at next.

Chapter 8

The On-Ramp Is Getting Wider

Bitcoin’s biggest barrier has never been the technology. It’s always been access. You couldn’t convince your mum to learn about private keys and self-custody in 2013. You can’t expect your retirement fund to hire a blockchain engineer in 2024. The squeeze isn’t working because Bitcoin is getting better — it’s working because getting Bitcoin is getting easier.

The on-ramp is widening. Every layer. Every year. And that’s the accelerant.

The Evolution: From Geek to Grandma

In 2013, buying Bitcoin meant running a full node on your laptop, or finding some sketchy forum exchange that might vanish with your money. In 2017, you could use Coinbase, which was revolutionary — a boring, normal interface, like banking. In 2021, you could buy Bitcoin on PayPal and Cash App without knowing what a blockchain was. In 2024, your retirement fund is buying Bitcoin in bulk, and the ETFs holding it are so mainstream they’re recommended in financial planning articles next to S&P 500 index funds. This isn’t hype. This is infrastructure. And infrastructure is how things scale.

Bitcoin Access Evolution

Period	Access Method	Friction	Target User
2013–2015	Mining, forums, early exchanges	Extreme	Technologists only
2016–2018	Coinbase, Kraken, Bitstamp	High	Tech-savvy investors
2019–2021	PayPal, Cash App, Revolut	Medium	Mass market
2022–2024	Spot ETFs, bank custody, retirement funds	Low	Institutions, funds, retirees
2025+	Embedded fintech, neobanks, auto-invest	Minimal	Everyone by default

Payment Apps Changed Everything

When Revolut let you buy Bitcoin in the same app where you send money to friends, something shifted. Three taps. No account setup nightmare. No worrying about exchange security because you trust Revolut with your debit card anyway. Millions did it without even thinking about it.

PayPal's Bitcoin integration wasn't about Bitcoin adoption — it was about making Bitcoin a *feature*, not a destination.⁶¹ You're not going to PayPal to buy Bitcoin. You're checking your balance, and there's Bitcoin right there, like any other asset. So people buy some. Not all, but some. And some is enough.

Cash App did the same thing.⁶² Millions of people — mostly younger, mostly from underbanked communities — discovered Bitcoin because it was easier than moving money the traditional way. Not because they were ideologically committed. Because it worked.

Three taps beats three hours of due diligence every single time.

ETFs Are the Institutional Trojan Horse

The US Bitcoin spot ETFs in 2024 weren't a Bitcoin story. They were an institutional story. The spot ETFs gave institutional managers a bridge product: Bitcoin exposure without custodial risk, without blockchain complexity, without any of the regulatory friction that comes with actually owning the asset.

Your grandma's retirement fund didn't hire a crypto expert. Her fund manager just added an allocation to an ETF, the same way they would any other index product. No conviction required. No research required. Just a box on a spreadsheet.

This is capital at scale. We're talking pension funds managing trillions of dollars. Once Bitcoin became a checkbox on their allocation strategy — once it became a thing their compliance team would sign off on — the squeeze tightened.

Around the world, trustees of retirement funds are starting to ask whether Bitcoin belongs in a diversified portfolio. The answer they're arriving at is: maybe. And “maybe” to a trillion-dollar pool is a capital event.

Banks Building Rails

Traditional banks didn't have to care about Bitcoin. It was a threat to them — or they thought it was. Now they're offering custody. They're building settlement infrastructure. Some are even allowing clients to hold Bitcoin in their regular brokerage accounts.

This is the infrastructure creep. It doesn't matter if banks believe in Bitcoin. They believe in profit. And if their clients want Bitcoin, and Bitcoin is a profitable thing to offer, they'll offer it.

And it's not just banks anymore. In March 2026, Fannie Mae — the US government-backed mortgage giant — began accepting crypto-backed mortgages for the first time, through a partnership between mortgage lender Better Home & Finance and Coinbase. Borrowers can now use Bitcoin or stablecoin holdings as collateral for their down payment, and Fannie Mae will purchase those loans just like any other conforming mortgage. No margin calls. No forced liquidation if the price dips. Broadly comparable terms to a traditional home loan, though with slightly higher interest rates.

The same institution that underwrites a third of US mortgages now treats Bitcoin as legitimate collateral — on par with equities or savings. Freddie Mac is operating under the same directive from the Federal Housing Finance Agency and is expected to follow. When Bitcoin graduates from “speculative internet money” to “accepted collateral for the American dream,” that's a structural shift in how the financial system views digital assets.

Regulatory Clarity as Gasoline

Bitcoin’s greatest gift was that no regulator could kill it. But Bitcoin’s greatest accelerant is when regulators stop trying.

The EU’s MiCA framework treated Bitcoin as a commodity with clear guardrails.⁶³ The US classified it as a digital commodity.⁶⁴ Singapore, the UAE, and Hong Kong — they’ve all built regulatory frameworks that say: yes, this thing exists. Here’s how you do it safely.

Every regulatory approval is a signal. It’s a permission slip to institutional money. It’s due diligence ammunition for a compliance officer. It’s the difference between “this is risky” and “this is well-regulated.”

Who Can Access Bitcoin Now

User Type	Access Path	Friction	Capital Scale
Teen / Gen Z	Cash App, Revolut	Minimal	Small, frequent
Retail investor	Brokerage, PayPal, exchange	Low	Medium
HNW / advisor	Bank custody, dedicated PM	Low	Large
Pension / retirement fund	ETF, index provider	Minimal	Massive
Corporate treasury	Custody + settlement	Low	Very large
Sovereign / central bank	Direct purchase, strategic reserve	Political	Enormous

The Friction Curve

Every reduction in friction opens a new layer of capital. It’s not linear. Each on-ramp doesn’t just add users — it adds a tier of capital that was previously locked out.

When Coinbase launched, it unlocked retail investors who had conviction but no technical chops. When PayPal integrated Bitcoin, it unlocked casual

savers who didn't have conviction but had disposable income. When ETFs launched, it unlocked institutional capital that had no conviction whatsoever — just portfolio allocation algorithms.

You don't need to convince people Bitcoin is good. You just need to make it easy enough that they try it.

That's where we are now. Bitcoin isn't fighting ideology anymore. It's fighting inertia. And every new on-ramp is a wedge into inertia.

What's Left to Unlock?

The remaining friction points are mostly political, not technical.

Automatic allocation in retirement funds. The day a default option in an major retirement fund includes a Bitcoin allocation — even 1% — you get access to hundreds of billions of dollars by sheer force of inertia. People don't opt out of defaults; they opt into them.

Embedded Bitcoin in fintech. When every neobank has a Bitcoin wallet as a standard feature, buying Bitcoin becomes as routine as opening a savings account.

Corporate payroll integration. Imagine getting paid partly in Bitcoin — not because you want to, but because your employer offers it as an option. Millions would accept it just for the convenience.

Cross-border payments. Bitcoin's real killer app isn't speculation — it's moving money without asking a bank's permission. As more companies use Bitcoin for settlement, access becomes incidental.

The on-ramp isn't getting wider because Bitcoin is winning some grand ideological battle. It's getting wider because every company along the financial stack has realised they can't ignore it, and they can profit from it. That's how real adoption happens.

Abundant access to a finite asset creates pressure. The on-ramps are multiplying. The supply isn't.

Eventually, that pressure finds a release — which brings us to what happens when math meets human nature, and the reflexive loop kicks in.

Chapter 9

The Loop

Everything we've covered so far has been mechanical. Fixed supply. Thin liquidity. Capital flows. Institutional plumbing. It's math and infrastructure. Cold, rational, and largely predictable.

This chapter isn't about math. It's about human nature. And human nature is far less rational — but far more powerful.

Price Creates Its Own Reality

There's a well-known concept in finance called reflexivity.⁶⁵ The simplified version goes like this: in most markets, you'd expect the price of an asset to reflect its fundamentals. Company earns more money, stock goes up. Simple. But reflexivity says that in certain situations, the price itself changes the fundamentals. The rising stock price makes it easier for the company to raise capital, which makes it more profitable, which pushes the price higher. The price isn't just reflecting reality. It's creating it.

Bitcoin is the most reflexive asset in history.

When Bitcoin's price rises, several things happen simultaneously. Media coverage increases. People who'd never thought about Bitcoin suddenly see it on the news. Some of them buy. That pushes the price higher. More coverage. More buyers. More price movement. The cycle feeds itself.

But it's not just retail. When the price rises, institutions that were "monitoring" Bitcoin suddenly face a performance gap. Their competitors who allocated early are outperforming. Their clients start asking questions. The pressure to act builds. And when institutions act, they act with size — which moves the price even more.

In most assets, price reflects reality. In Bitcoin, price creates demand, which creates higher prices, which creates more demand. The loop is the mechanism.

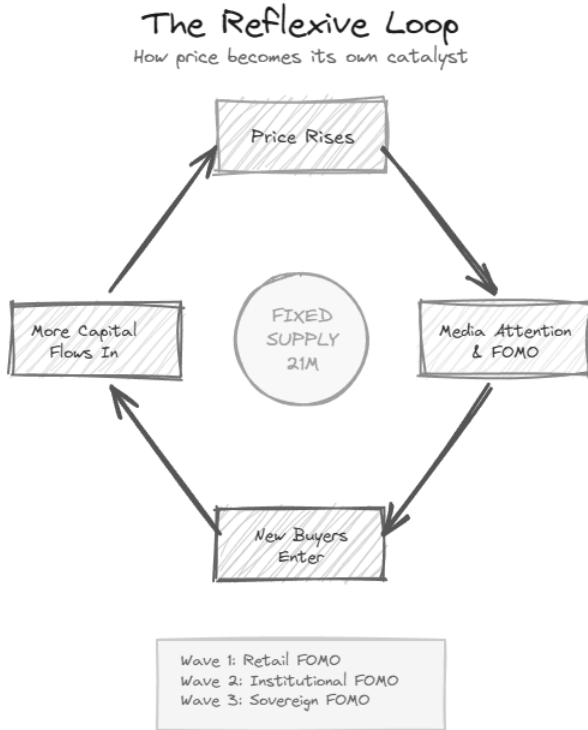


Figure 9.1: The reflexive loop — how price becomes its own catalyst

The Three Waves of FOMO

FOMO — fear of missing out — operates at three levels in Bitcoin: retail, institutional, and sovereign. Each moves at a different speed but each triggers the next. When retail drives price up, institutions notice. When institutions allocate, governments can't afford not to. The US Strategic Bitcoin Reserve is sovereign FOMO in action — and once one major power moves, game theory takes over. We'll break down these three speeds of capital in detail in Chapter 11.

This Has Happened Before

Bitcoin has had four major cycles, and each one followed the same reflexive pattern: price rise, media attention, new buyer class enters, price peaks, crashes, then stabilises at a level far higher than where it started.⁶⁶

Bitcoin's Major Cycles

Cycle	Start	Peak	New Buyer Class	Infrastructure
2013	~\$13	~\$1,100	Early adopters, tech	First exchanges (Mt. Gox)
2017	~\$1,000	~\$19,700	Retail investors, ICO boom	Coinbase, Binance, CME futures
2021	~\$10,000	~\$69,000	Corporate treasuries, HNW	PayPal, Cash App, futures ETFs
2024—?	~\$40,000	TBD	Pensions, sovereigns, banks	Spot ETFs, custody, regulation

Sources: CoinGecko historical data; Bloomberg.

Notice two things about this table. First, each cycle brought in a new class of buyer with bigger pockets. Tech enthusiasts in 2013. Retail in

1. Corporations in 2021. Institutions and sovereigns in the current cycle.

The players get bigger every time.

Second, each cycle's *bottom* was higher than the previous cycle's peak.⁶⁷ The 2018 low (~\$3,200) was higher than the 2013 peak (\$1,100). The 2022 low (~\$15,500) was close to the 2017 peak (\$19,700). Each crash that "killed" Bitcoin left it at a higher floor than before.

Every cycle they say Bitcoin is dead. Every cycle the floor is higher than the last ceiling.

What's Different This Time

I know. "This time is different" is the most dangerous phrase in investing. So let me be precise about what I mean.

The reflexive loop — price goes up, attention increases, new capital enters, price goes higher — has played out in every Bitcoin cycle. That part isn't different. What's different is the plumbing.

In 2017, when retail FOMO kicked in, people had to figure out how to use Coinbase. It took days to get verified. Bank transfers took a week. The friction was enormous and it still produced a 20x move.

In 2024 and beyond, when the loop kicks in, capital can flow through ETFs and apps. A pension fund CIO buys an ETF the same way they buy any other. A retail investor buys Bitcoin in three taps. The friction has been removed.

That means when the reflexive loop activates — and it will, because it always does — the capital can move faster and in greater volume than in any previous cycle. The flow of capital isn't just increasing — the friction is disappearing.

The Attention Indicator

Here's something worth knowing: Google searches for "Bitcoin" are one of the strongest leading indicators of price movement.⁶⁸ Search volume tracks price almost perfectly. When people start searching, they start buying. When they start buying, the price moves. When the price moves, more people search.

As of right now, search interest is moderate. It's not at 2021 levels. Not even close. Which means the retail FOMO wave hasn't kicked in yet. The current price action is being driven by institutional flows and structural demand, not by your friend reading about Bitcoin on Reddit at 2am.

That retail wave is still coming. And when it arrives on top of the institutional foundation that's already being built, the reflexive loop will have more fuel than ever before.

FOMO Isn't a Bug. It's a Feature.

In a normal market, FOMO is irrational. It leads to bubbles, crashes, and losses. And in Bitcoin's history, it has done all of those things.

But here's the wrinkle: in an asset with truly fixed supply, FOMO isn't just psychological noise. It's a structural accelerant. Because every new buyer who enters due to FOMO reduces the available supply for the next buyer. The reflexive loop doesn't just push prices up temporarily. It ratchets them up permanently, because the new holders become the next generation of long-term holders who don't sell.

This is why each cycle's floor is higher. The FOMO buyers from 2017 who didn't sell became the long-term holders of 2020. The 2021 entrants who held through the crash are now the 2024 diamond hands. Each wave of FOMO deposits a new layer of long-term conviction. Each wave of new holders becomes the next generation of long-term holders who don't sell.

So that's the full picture. Fixed supply. Shrinking available liquidity. Growing institutional demand. Easier access. And a reflexive loop that amplifies everything when it activates.

The mechanical squeeze from Chapter 6, plus the capital flows from Chapter 5, plus the infrastructure from Chapters 7 and 8, plus the reflexive loop from this chapter. Stack them together and you get a structural force that's difficult to argue with on pure logic.

But I'd be doing you a disservice if I stopped there. Because there are real risks, real threats, and real ways this could go wrong. And if I only told you the good stuff, I'd be doing you a disservice.

So in the next chapter, we're going to try and break things. Every risk, every threat, every scenario where this thesis could fall apart.

Chapter 10

What Could Kill This

I wrote this to get to the ground truth. So here's the chapter where I try to break my own thesis. Every risk. Every threat. Every scenario where this falls apart. Some of these risks are real. Some are overblown. But let's examine them on their merits.

Risk Matrix

Risk	Likelihood	Severity	Assessment
Quantum computing	Low	High	5–10+ years away; protocol can upgrade
Government bans	Low–Med	Medium	China tried; network recovered. Trend is toward regulation, not bans
Protocol bug	Very Low	Critical	Has happened once (2010). 15+ years battle-tested since
Protocol tinkering	Low-Med	Medium	Conservatism is a feature; debate over BIP-110 shows tension between stability and upgrades
Paper BTC suppression	Medium	Low–Med	Short-term dampening possible; long-term, spot ETFs hold real BTC
MSTR/leverage blowup	Medium	Medium	Concentrated risk; doesn't affect BTC fundamentals, but could trigger short-term crash
Better technology emerges	Low	High	Network effects are Bitcoin's moat; 17 years of Lindy effect
Institutions don't allocate	Low–Med	High	Biggest risk to thesis; but trend is already moving
AI-driven attack	Very Low	Unknown	More likely AI increases BTC demand (AI agents need programmable money)

Author's assessment. Likelihood and severity are subjective estimates, not guarantees.

Quantum Computing

This is the one that sounds the scariest. A sufficiently powerful quantum computer could theoretically break the cryptography that secures Bitcoin.

But current quantum computers operate at around 1,000 to 5,000 qubits. Breaking Bitcoin’s elliptic curve cryptography was previously estimated to require approximately 13 million stable, error-corrected qubits. But in March 2026, Google published research suggesting it could be done with roughly 500,000 qubits — a 20-fold improvement on earlier estimates.⁶⁹ Current assessments suggest a 17–34% chance a cryptographically relevant quantum computer exists by 2034, and roughly 79% by 2044. Google itself is targeting 2029 for migrating its own systems to post-quantum cryptography. This is closer than most people realise.

More importantly, Bitcoin isn’t standing still. NIST published its first set of post-quantum cryptographic standards in 2024.⁷⁰ Bitcoin developers have already proposed quantum-resistant signature schemes that could be implemented via a soft fork — a backwards-compatible upgrade. The Bitcoin protocol has upgraded before, and it will upgrade again.

The honest assessment: quantum computing is a real and accelerating consideration, but it’s a known problem with known solutions. And it threatens every encryption system on earth, not just Bitcoin — your bank, your government, your medical records all use the same cryptography. If quantum computing breaks crypto, Bitcoin is the least of your worries. What matters is whether Bitcoin upgrades before the threat arrives. Given the protocol’s track record and the active development of quantum-resistant signatures, the odds are in its favour.

Government Bans

China has banned Bitcoin three times — in 2013, 2017, and 2021.⁷¹ Each time, the network absorbed the shock and recovered. When China banned mining in 2021, the hash rate dropped 50% overnight. Within six months, it

was back to pre-ban levels as miners relocated to the US, Kazakhstan, and elsewhere.

Could the US or EU ban Bitcoin? Technically, yes. Practically? It's getting harder by the day. BlackRock has a Bitcoin ETF. The US has a Strategic Bitcoin Reserve. The SEC just classified it as a digital commodity. You don't ban something you've spent two years building regulated infrastructure around.

The global trend is toward regulation, not prohibition. And every new piece of regulatory clarity makes a ban less likely, not more.

Protocol Bug

In 2010, someone exploited a bug that created 184 billion Bitcoin in a single transaction.⁷² The bug was found, the fix was deployed, and the illegitimate coins were erased — all within hours. It's the only critical consensus bug in Bitcoin's history.

That was fifteen years ago, when Bitcoin was a tiny experiment run by a handful of people. Today, the codebase has been reviewed by thousands of developers and audited by some of the most paranoid security researchers on the planet. Could there be another bug? In theory, yes. No code is perfect. But the probability decreases with every year of operation. Bitcoin is the longest-running, most battle-tested piece of software in cryptocurrency.

Protocol Tinkering

Some prominent Bitcoin advocates argue that the biggest threat to Bitcoin isn't external — it's iatrogenic. That's a medical term meaning harm caused by the treatment itself. The concern is that well-intentioned protocol changes, even minor ones, could introduce bugs, create governance disputes, or gradually erode the very properties that make Bitcoin valuable: its fixed supply, its neutrality, and its predictability.

This surfaced recently around BIP-110, a proposal to restrict certain types of data in Bitcoin transactions. Critics argued it set a dangerous precedent: if

developers can restrict what data gets included today, what stops future restrictions on legitimate transactions? Each protocol change, no matter how reasonable it sounds, opens the door to the next one. And in a system designed to have fixed rules, that's a genuine tension.

The counterargument is that all software needs maintenance. Bugs need fixing. Vulnerabilities need patching. If quantum computing advances faster than expected, Bitcoin would need protocol changes to survive. And careful upgrades like Segregated Witness actually improved the network without breaking its core function. The honest assessment: Bitcoin's conservatism is a feature, but taken to an extreme it becomes its own risk. The debate is real, and it's worth watching.

Paper Bitcoin and Derivatives

This one comes up a lot, and it deserves a careful answer.

"Paper BTC" refers to Bitcoin exposure through derivatives — futures, options, and other synthetic products — that don't involve buying actual Bitcoin. The concern is that these products absorb demand that would otherwise go to spot markets, suppressing the price. The Bitcoin futures and options market has roughly \$45–60 billion in open interest.⁷³

Here's the important distinction: spot Bitcoin ETFs — IBIT, FBTC, and the rest — hold actual Bitcoin. Every dollar that flows into these funds results in real BTC being purchased and custodied. ETF inflows are spot demand. They absolutely contribute to the squeeze.

Cash-settled futures are different. They create price exposure without buying spot BTC. And yes, it's theoretically possible that this dampens short-term price pressure. But cash-settled futures also bring liquidity and legitimacy, which attracts the institutional capital that does buy spot.

The 21 million cap is not undermined by derivatives. You can't settle a contract with Bitcoin that doesn't exist. Paper exposure may smooth the ride, but it can't change the destination.

The MicroStrategy Risk

At time of writing, MicroStrategy — now Strategy — holds over 762,000 BTC financed partly through approximately \$7.2 billion in debt.⁷⁴ That's an enormous concentrated position with leverage. If Bitcoin's price dropped severely — below roughly \$14,000–18,000 — the company would face serious financial stress and potentially forced selling.

And it's not just Strategy. Copycats have emerged. Other companies are now borrowing to buy Bitcoin. Leveraged corporate treasuries add buy pressure on the way up, but they create fragility on the way down.

The honest assessment: Strategy's approach is a signal of conviction, and their buying has meaningfully supported price. But concentrated, leveraged positions are a risk. A severe drawdown could trigger a liquidation cascade. It wouldn't kill Bitcoin — the protocol is indifferent to who holds it — but it could create a violent short-term crash.

Key distinction: this is a risk of how people hold Bitcoin, not a risk to Bitcoin itself. The network continues regardless.

Bitcoin Is Rewriting Fixed Income

There's a related development worth flagging. Strategy hasn't just been buying Bitcoin — they've been inventing new ways for other people to fund Bitcoin purchases. In 2025, they launched a perpetual preferred stock product called STRC (informally, "Stretch") paying a roughly 10% monthly dividend.⁷⁷ Then came STRK, STRF, STRD — different flavours of yield-bearing securities, all sitting on top of the same pile of Bitcoin.

The mechanics matter. Income-focused investors — pension funds, retirees, anyone who needs reliable cash flow — have historically been forced into traditional fixed income: government bonds, corporate bonds, preferred stocks. These pay yield, but most of them pay yield in dollars that lose value every year, the very issue we covered in Chapter 2. Strategy figured out that if you can deliver a 10% monthly dividend backed indirectly by Bitcoin appreciation, you can vacuum capital out of the bond market and into Bitcoin without ever asking the bond buyer to “believe in Bitcoin.”

The copycats arrived almost immediately. Metaplanet in Japan. Semler Scientific. Twenty One Capital. Dozens of newly minted “Bitcoin treasury companies” have launched similar instruments.⁷⁸ What started as one company’s experiment has become a category.

Bitcoin is no longer just an asset class. It is becoming the collateral underneath a brand-new fixed income market.

So is this good or bad? I won’t pretend to know. Here’s the honest case both ways.

The bull case: This is a Trojan horse. Pension funds and insurance companies that would never have allocated to Bitcoin directly now have a yield product they can underwrite. Income-seeking capital — the largest pool in global finance — gets pulled into Bitcoin’s orbit. Every dollar that flows into a Bitcoin-backed dividend stock is a dollar that, somewhere upstream, results in Bitcoin being bought.

The bear case: The “yield” doesn’t come from productive activity. It comes from a combination of share issuance, debt, and the assumption that Bitcoin’s price will continue to rise faster than the dividend obligations. In a sustained drawdown, the maths gets ugly fast. If Bitcoin drops 60% and stays there, dividend payments compound on a shrinking asset base. The reflexive loop that works on the way up works equally well in reverse — and history

suggests these structures have a tendency to look elegant right up until they don't.

The honest middle ground: this is genuinely new, it is genuinely large, and it is genuinely risky. Strategy has executed it brilliantly so far. The question is whether the second-tier copycats have the conviction, the discipline, and the balance sheets to survive the first serious stress test. Some won't. When they fail, they will fail loudly, and the BTC they hold will hit the market in a hurry. None of that breaks Bitcoin. The protocol doesn't care. But it could create the kind of forced-selling cascade we discussed earlier, on a larger scale than the original MicroStrategy risk alone.

The structural takeaway is the one that matters most: an asset that didn't exist seventeen years ago is now reshaping a \$130 trillion fixed income market. Whatever else you think of Bitcoin, you can't call something that does that "not real" anymore.

* * *

Concentrated Ownership

About 2.4% of Bitcoin addresses control roughly 95% of the supply. That sounds alarming until you look at who those addresses belong to. Satoshi Nakamoto's estimated 1 million BTC hasn't moved in over sixteen years. ETF custodians like BlackRock and Fidelity hold hundreds of thousands of BTC on behalf of millions of individual investors. Exchange wallets hold customer deposits, not proprietary positions. An estimated 3–4 million BTC is likely lost forever in inaccessible wallets.

The real risk isn't that ownership is concentrated — it's that a major holder could be forced to sell. A large exchange collapsing, a government liquidating seized coins, or a leveraged corporate treasury unwinding could create significant short-term selling pressure. But Bitcoin's supply concentration is largely functional immobility, not a single entity controlling the network. The protocol is agnostic to ownership.

AI: Threat or Tailwind?

The AI risk gets raised a lot, usually vaguely. “What if AI breaks Bitcoin?” The honest answer is: it’s far more likely AI helps Bitcoin than hurts it.

On the threat side: AI could theoretically accelerate cryptographic attacks. But current AI isn’t close to breaking elliptic curve cryptography, and any advance that could would threaten all digital security, not just Bitcoin.

On the opportunity side: AI agents need money. Specifically, they need programmable, permissionless, machine-readable money that can settle transactions without human intermediaries. Bitcoin — and the Lightning Network built on top of it — is purpose-built for this. As AI systems proliferate, the demand for digital bearer assets may increase, not decrease.

“But What About Japan?” — The Debt Counterarguments

In Chapter 5, I argued that the global debt spiral is a key driver pushing capital toward hard assets. Fair-minded readers will push back on that. Here are the strongest counterarguments and why they don’t break the thesis.

“Japan has had debt-to-GDP above 200% for decades without hyperinflation. Why can’t everyone else do the same?” Japan is the exception that proves the rule. It works because Japanese debt is overwhelmingly held domestically, the country runs a current account surplus, and its demographics are deflationary. Almost no other country has those conditions. The US, EU, and most emerging markets don’t. And even Japan is showing cracks — its 10-year bond yields hit multi-decade highs in 2025, and the Bank of Japan has been forced to intervene repeatedly to prevent a bond market crisis.

“If inflation is the problem, why not just hold equities? Stocks are hard assets too.” This is actually a fair point — and capital has flowed heavily into equities for exactly this reason. Property and stocks have gone parabolic since the Global Financial Crisis partly because they serve as inflation hedges. But equities carry business risk, regulatory risk, dilution risk, and increasingly high correlation with each other. A stock can go to zero because the company

fails. Bitcoin's supply is unaffected by earnings, management, or competition. It offers an uncorrelated hedge with no counterparty risk — which is why institutional portfolio models are starting to include it alongside equities and gold, not instead of them.

“Central banks could just raise rates and break the inflation cycle.”

They can, and they have. But here's the trap: higher rates mean higher interest payments on the existing debt. The US is already paying over \$1 trillion a year in interest. Raise rates further and that number explodes, requiring even more borrowing to service it. Central banks are stuck. Raise rates and the debt spiral accelerates. Lower rates and inflation runs. There is no clean exit. This is exactly the environment that drives institutional demand for assets outside the fiat system.

The Biggest Real Risk

Of all the risks on that table, the one most likely to undermine this book's thesis isn't quantum computing or government bans. It's simpler than that.

What if institutions just don't allocate?

What if the pension funds never move past “monitoring.” What if the ETF inflows plateau. What if the slow money never arrives. The math in Chapter 5 depends on capital flowing in. If it doesn't, the squeeze doesn't squeeze.

This is a real risk, and I won't dismiss it. But I'll say this: the trend is clearly in one direction. Every year, more institutions allocate. Every year, more products launch. Every year, the infrastructure gets deeper. Betting against institutional adoption at this point means betting that BlackRock, Fidelity, and the US government all made the wrong call. Possible? Sure. Probable? You'd be brave to take that bet.

But If This Is All True, Why Is the Price Down?

This is the elephant in the room. Bitcoin hit roughly \$126,000 in October 2025. As I write this, it's dropped over 50%.⁷⁵ Every positive fundamental

we’ve covered in this book — institutional adoption, ETF inflows, corporate treasuries, regulatory clarity — was already in play. So what happened?

Short answer: the long-term thesis and the short-term price are two different things. They always have been. And confusing them is the fastest way to lose conviction at exactly the wrong moment.

The hot money left first. Remember the three speeds of money from Chapter 11. Fast money — retail speculators, leveraged traders, momentum chasers — is the first in and the first out. When macro conditions shift, this money doesn’t think. It runs. Approximately \$19 billion in leveraged crypto positions were liquidated in days during the initial drop. That’s not structural selling. That’s leverage getting flushed.

Macro killed the mood. Global trade policy uncertainty, tariff escalation, and a broader risk-off environment hit every asset class. When institutional risk committees get nervous, they reduce exposure across the board. Bitcoin, still classified as a risk asset by most portfolio managers, gets sold alongside equities. Not because the thesis changed. Because the risk appetite changed.

Leverage works both ways. We talked about the MicroStrategy risk earlier in this chapter. Leveraged corporate treasuries, margin traders, and derivative positions amplify moves in both directions. On the way up, leverage makes the rally steeper. On the way down, forced liquidations cascade — each sell triggers the next margin call, which triggers the next sell. The non-linear mechanics from Chapter 6 work in reverse too. The pressure works in both directions.

ETF flows reversed — temporarily. After months of historic inflows, the spot Bitcoin ETFs saw periods of net outflows as traders took profits and reallocated. But “outflows” doesn’t mean institutions gave up on Bitcoin. It means some holders rotated out. ETF redemptions are normal portfolio management, not a referendum on the asset.

Here’s what didn’t change during the drawdown: the supply cap. The halving schedule. The institutional infrastructure. The regulatory trajectory. The number of companies holding Bitcoin on their balance sheets. The number

of countries exploring strategic reserves. None of that reversed. The architecture of the squeeze is intact.

This is the difference between weather and climate. A 50% drawdown is weather — violent, uncomfortable, and temporary. The structural forces driving capital into a fixed-supply asset are climate. You can have a brutal winter and still live in a warming world.

Drawdowns are weather. The structural forces are climate.

If the drawdown shook your conviction, that's worth examining. Was your conviction based on the mechanics, or was it based on the price going up? Because those are very different things. The mechanics haven't changed. The price always does. Every previous cycle looked like this — fundamentals improving while price collapsed — right before the next leg up.

That doesn't mean the next leg up is guaranteed. It means a drawdown alone isn't evidence that the thesis is broken. You need to look at the structure, not the screen.

Bitcoin Will Crash. It Always Does.

Nothing in this book means Bitcoin won't crash. It will. It always does. It's dropped 77–94% from its peaks four times in its history.⁷⁶ Every time, people declared it dead. Every time, it came back to set new highs.

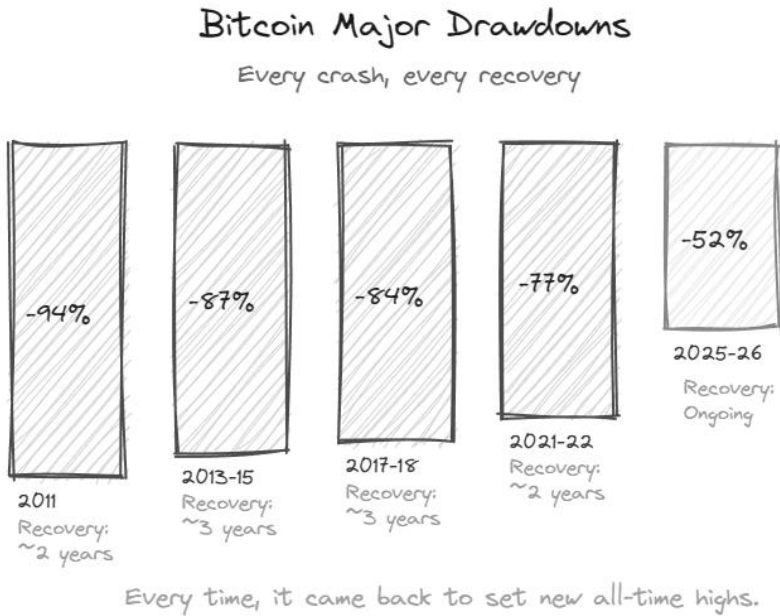


Figure 10.1: Bitcoin major drawdowns

Figure 10.1: Bitcoin major drawdowns — every crash, every recovery

Volatility is not risk. They're different things. Volatility is the price swinging wildly on the way to somewhere. Risk is the chance of permanent loss — of the thing going to zero and staying there. Bitcoin has enormous volatility. But the structural risks of it going to zero are lower than they've ever been.

If you put money into Bitcoin, at some point it will be worth less than you paid. Maybe a lot less. Maybe for a year or two. That's the cost of being in an asset this early and this volatile. It's not about whether you can stomach the drawdown. It's whether the long-term mechanics we've covered justify the ride.

Every investment has risks. It's whether you're being compensated for them. Given the asymmetry of the upside, the risk-reward is the real story.

THE BIG SQUEEZE

In the final chapter, we're going to bring it all together. Not to tell you what to do — but to lay the mechanics bare and let you decide for yourself.

Chapter 11

With or Without You

This book is not a call to action. It's a map. And maps don't change whether you follow them or not.

The Architecture of Pressure

Let me recap the thesis in clean lines.

The world holds an enormous amount of investable capital — hundreds of trillions of dollars across real estate, bonds, equities, and alternatives. The debt-based monetary system that underpins it all has accumulated so much public and private debt that interest payments alone are now the fastest-growing government expense, creating a spiral where nations borrow to service what they've already borrowed. The only realistic exit is inflation — debasing currencies to shrink the real value of the debt. That pressure is forcing capital toward assets with fixed supply.

Bitcoin is a new hard asset class — born from modern technology, with properties that no physical hard asset can match: absolute scarcity, instant portability, trustless verification, self-custody, and a supply that is mathematically fixed and publicly auditable. It has existed for over 17 years, survived every attack thrown at it, and is now being recognised by the world's largest financial institutions as a legitimate form of capital.

The two critical requirements for institutional capital to flow — regulatory clarity and accessible investment vehicles — are both being built right now. The products being launched and the laws being passed are quantifiable proof of the long-term intention of the world's largest capital allocators to direct capital toward this asset. And Bitcoin is currently so small relative to global capital that even modest allocations create outsized asymmetric gains for those who are positioned.

And once capital starts flowing in one direction through this architecture, reflexive loops kick in — early gains attract more participants, which attract more capital, which drives prices higher, which makes it harder to ignore, which brings in the next wave.

These are structural fundamentals. They are independent of the price on the chart, which often tells a different short-term story. They are independent of what retail investors think, feel, or do. You don't need everyone on Earth to understand Bitcoin. You don't need governments to endorse it. You don't even need it to work perfectly as money. You need one thing: enough capital to find its way into a 21-million-coin container to meaningfully change the price. At global scale, that's not a miracle. That's a rounding error.

The squeeze doesn't care about your belief. It cares about supply and demand. And both are moving in one direction.

The Numbers, One Last Time

Here's what we built in Chapter 5. It's worth revisiting now that we've walked the full path — through the bottleneck, the institutional moves, the widening on-ramp, the reflexive loop, and the risks:

Scenario	Assumptions	Implied BTC Price
Conservative base	0.5% institutional + 10% gold + 1% new M2	~\$257,000 (~3.8x)
Moderate bull	3% institutional + 25% gold + 3% new M2	~\$750,000+ (~11x)
Aggressive bull	5% institutional + 50% gold + 5% new M2	\$1M+ (~15x+)

Based on Chapter 5 analysis. Not predictions. Arithmetic.

These aren't predictions. They're scenarios. You can disagree with every assumption and plug in your own numbers — that's what the calculator is for (thebigsqueezebook.com). But the structure doesn't change: small

percentages of very large pools flowing into a very small, fixed-supply asset create outsized price movements. That's the math.

The Three Speeds of Money

Money doesn't arrive all at once. It arrives in waves, each moving at a different speed. Understanding that velocity matters for understanding what happens next.

Fast money: weeks to months. Retail speculators, day traders, Reddit, FOMO-driven entries. This is the hot money. It chases momentum and can be violent in both directions. Fast money makes headlines and makes volatility. It doesn't make the floor. But it does something important: it demonstrates that the asset class still moves, still captures attention, still brings capital off the sidelines. Fast money is the first domino.

Medium money: 1–5 years. Family offices, high-net-worth individuals, hedge funds that do serious research. This is the money that reads the arguments and takes time to build conviction. Once it arrives, it sticks around. Medium money is patient enough to weather volatility but impatient enough to move when the thesis becomes clear. This is where the store-of-value argument lands hardest.

Slow money: 5–15 years. Pensions. Sovereign wealth funds. University endowments. Insurance companies with decades-long liabilities. These institutions move like tankers. But they hold the most capital. And they hold it the longest. A pension fund isn't watching whether Bitcoin goes to \$50K or \$500K this year. It has a 30-year liability. That money, once deployed, doesn't panic-sell on crashes. It buys on dips because it has the capital and the time horizon to be a buyer, not a seller.

Pension funds don't panic-sell. Sovereign wealth funds don't trade on headlines. When the slowest, largest capital finally moves, it stays.

The Maths of Asymmetry

Consider two scenarios. Suppose Bitcoin is wrong. Suppose it goes to near zero in the next decade. If you only invested what you could genuinely afford to lose, that would be uncomfortable — but not catastrophic. You'd survive it.

Now suppose Bitcoin is right. Even the conservative base case from Chapter 5 implies roughly 4x from early 2026 levels. The moderate bull case implies 11x. And the math doesn't require anything extraordinary — just the boring, incremental trends that are already in motion.

The ratio isn't close. The downside is capped at whatever you put in. The upside is potentially 4x to 15x or more. There's no instrument in traditional finance where that asymmetry is available without leverage, without insider knowledge, without being a venture capitalist.

A 1–5% position that goes to zero is a bad month. A 1–5% position that does 10x changes your retirement.

This is not financial advice. I'm not your accountant, or your wealth manager. I'm not telling you what to do. I'm talking about the math. Consider this just one part of '*doing your own research*'.

The Squeeze Is Happening

The squeeze is structural. It doesn't need your permission or your participation or your belief. It's rolling through the mechanics of supply and demand, institutional adoption, and capital flows, and it will roll through them whether you're watching or not. And it needs a lot less than you think to make a meaningful difference.

In five years, we'll probably know to what degree we have been correct. But the numbers reveal the opportunity of today. And that's the real value of this exercise: you can make a sound decision based on first principles instead of noise.

The squeeze is happening. And price is the only release valve.

Why I Wrote This

I set out to verify the data for myself when the noise was loudest. Now I have more conviction than ever. Not because of how big I think Bitcoin will be, but because of how small it is now and relative to everything else.

I don't need a credible finance career to write this and you don't need a PhD to understand it. Hopefully by now I've proven you don't even need to know how Bitcoin works to realise the opportunity.

Some say Bitcoin can change the world, fix the corruption and usher in a utopia for all. It's a wonderful thing to believe in. And I hope it's true. But it wins regardless. Follow the money, follow the incentives, follow the numbers, and you will arrive at a conclusion that's hard to argue with. The philosophy may be right or wrong. But the mechanics are clear.

Notes

Chapter 1: Strip It Back

1. BlackRock IBIT holdings as reported by [btcetfcalc.com](https://www.btcetfcalc.com), March 2026. Custody provided by Coinbase Prime Custody Trust Company, regulated by the New York Department of Financial Services.
2. SEC and CFTC joint ruling designating Bitcoin as a “digital commodity,” March 17, 2026. Based on interpretation under the developing CLARITY Act framework.
3. Larry Fink, BlackRock CEO, December 2025. Fink described Bitcoin as a hedge against currency debasement and government debt, comparing its role to gold as a store of value.
4. Bitcoin maximum supply is technically 20,999,999.9769 BTC due to block reward rounding in the halving algorithm. The genesis block’s 50 BTC reward is also unspendable.
5. Bitcoin circulating supply: approximately 20,008,452 BTC as of March 28, 2026 (blockchain data via CoinGecko).
6. Post-April 2024 halving: block reward is $3.125 \text{ BTC} \times 144 \text{ blocks/day} = 450 \text{ BTC/day}$. At $\sim \$66,000/\text{BTC}$, that’s approximately \$29.7 million in daily block subsidies.
7. Next halving expected April 2028 at block 1,050,000. Block reward will decrease from 3.125 to 1.5625 BTC.

Chapter 2: Magic Internet Money

8. Federal Reserve Bank of New York, “Open Market Operations.” Primary dealers (currently 25 banks) are the only counterparties the Fed transacts with directly when conducting monetary policy.
<https://www.newyorkfed.org/markets/primarydealers>

9. US Federal Reserve official 2% inflation target (set 2012, formally adopted as a long-run goal); Reserve Bank of Australia 2-3% target band; European Central Bank 2% target.
10. Federal Reserve balance sheet expanded from approximately \$4.2 trillion in February 2020 to over \$7 trillion by end of 2020. Source: Federal Reserve H.4.1 statistical release.
11. M2 money supply growth: from approximately \$15.4 trillion (Feb 2020) to over \$21 trillion (early 2022). Source: Federal Reserve Economic Data (FRED).
12. Cambridge Centre for Alternative Finance, Bitcoin Electricity Consumption Index (CBECI). Estimate of approximately 150 TWh per year in 2025-26.
13. CoinShares mining cost reports and JPMorgan global Bitcoin production cost estimates, 2025-2026. All-in cost varies widely by miner; the figures cited represent industry weighted-average ranges. The Bitcoin protocol's difficulty adjustment automatically rebalances mining economics every 2,016 blocks (approximately every two weeks).
14. Galaxy Digital research, "On Bitcoin's Energy Consumption: A Quantitative Approach to a Subjective Question," May 2021. Banking system estimated at approximately 263 TWh annually; gold mining at approximately 240 TWh annually; Bitcoin approximately 150 TWh annually.
15. International Energy Agency, residential appliance energy use estimates. Global tumble dryer consumption estimated above 200 TWh annually.
16. Riot Platforms (Texas-based mining operation) and Marathon Digital both report majority renewable energy mixes in their public sustainability disclosures.
17. US congressional testimony (2024-2025) on Department of Defense research into distributed ledger and Bitcoin network monitoring for resilient communications and financial infrastructure applications.

18. Satoshi Nakamoto's last public communication (an email to developer Mike Hearn) is dated April 23, 2011: "I've moved on to other things."
19. Satoshi mining pattern analysis (Sergio Demian Lerner): approximately 1.1 million BTC mined in the first year of Bitcoin's existence, attributed to Satoshi. None of these coins have ever been spent.
20. Executive Order 6102, signed by President Franklin D. Roosevelt on April 5, 1933. Citizens were required to surrender monetary gold (coins, bullion, and certificates); jewelry and small numismatic holdings were exempt. Repealed in 1974 under President Gerald Ford.
21. Reuters, "Fake gold bars turn up in London," and similar incidents documented at Swiss refineries (Argor-Heraeus, Valcambi, PAMP).
22. FBI Internet Crime Complaint Center reports title fraud as a multi-billion-dollar category of real estate crime annually in the US.
23. 2013 Cyprus financial crisis: deposits over €100,000 at Bank of Cyprus had approximately 47.5% converted to bank equity (effectively confiscated).
24. Reserve Bank of India Annual Report, March 2016, and subsequent demonetisation announcement of 8 November 2016. The withdrawn ₹500 and ₹1,000 notes represented approximately 86% of all currency in circulation by value (roughly ₹14.18 trillion of ₹16.42 trillion total) and about 24% by volume of notes.
25. Cambridge Centre for Alternative Finance hashrate data: Bitcoin network hashrate fully recovered within approximately six months of China's mining ban, with the United States becoming the dominant mining jurisdiction.

Chapter 3: Does Anyone Actually Want This?

26. Coinlaw Self-Custody Wallet Statistics, 2025. 59% of global crypto users prefer non-custodial wallets, but in the US only 41% primarily self-custody.

27. IMF World Economic Outlook, October 2025; Visual Capitalist, “Global Inflation by Country,” 2025. Argentina ~31.5%, Turkey ~30.9%, Nigeria ~24.5% (2025 year-end figures).
28. Coinlaw / Chainalysis Global Adoption Index, 2025. Nigeria: 32% of adults own crypto; Turkey: 23%; El Salvador: 35% use crypto.
29. Crypto.com Global Cryptocurrency Ownership Report, 2025. Bitcoin-specific ownership estimated at approximately 365 million people globally.
30. Yahoo Finance / Journal of Consumer Affairs: “Crypto Comprehension Study,” 2025. Only 22% correctly identified a private key as essential for managing crypto.
31. Visual Capitalist, “Rising Speed of Technological Adoption.” Internet reached ~4% penetration in 1995–1996; mobile phones reached similar penetration in early 2000s.
32. Gemini Survey, 2025: 51% of Gen Z have owned or currently own crypto. the majority of crypto buyers are under 40.

Chapter 5: What Happens When 1% Moves

37. CoinGecko, March 2026. Bitcoin market cap ~\$1.327T. ~19.85M BTC in circulation. Price ~\$66,800.
38. Institute of International Finance (IIF), Global Debt Monitor, Q4 2025. Global debt reached \$348 trillion, with governments accounting for over \$10 trillion of the annual increase.
39. Congressional Budget Office, Monthly Budget Review FY 2025; House Budget Committee, 2025. Net interest on federal debt reached \$970 billion in FY2025, surpassing national defence spending. Projected to exceed \$1 trillion in FY2026.
40. Committee for a Responsible Federal Budget, 2025; CBO Long-Term Budget Outlook, 2025. Rising interest costs account for more than 100% of the projected increase in the unified federal deficit through 2054.

41. IMF Fiscal Monitor, October 2025; IMF Global Debt Monitor, 2025. Global government debt-to-GDP estimated at 94.7%, projected to exceed 100% by 2029 — highest level since 1948.
42. BlackRock Investment Institute, “Global Investment Outlook,” 2025. Total global investable assets (equities, fixed income, alternatives) estimated at ~\$250–270T.
43. Mercer Global Pension Index, 2025; Willis Towers Watson Global Pension Assets Study, 2025. Typical institutional gold allocation ranges from 5–10% of alternatives sleeve.
44. World Gold Council, Q1 2026. Total above-ground gold market cap ~\$21.7T at ~\$3,100/oz.
45. Federal Reserve Economic Data (FRED), 2026. US M2 ~\$22.7T; global M2 ~\$96–105T. Historical growth rate approximately 6–8% annually.
46. Harold Christopher Burger, “Bitcoin’s natural long-term power-law corridor of growth,” 2019 (updated 2025). Also: Giovanni Santostasi power law model. These models fit a log-log regression to Bitcoin’s price history.

Chapter 6: The Bottleneck

47. Glassnode “Illiquid Supply” metric, 2026. Approximately 14.8 million BTC (74.5% of circulating supply) have not moved in over a year. Long-term holder supply near all-time highs.
48. CryptoQuant, March 2026. Total BTC held on exchanges has declined from ~3.2 million in early 2022 to approximately 2.3 million, a multi-year low.
49. Messari / VanEck institutional research, 2025. Order book analysis shows that a \$500M market buy on major exchanges would move BTC price by 3–5% due to thin liquidity above current spot.
50. Bitcoin block reward halving schedule: 50 BTC (2009), 25 BTC (2012), 12.5 BTC (2016), 6.25 BTC (2020), 3.125 BTC (2024). Next halving expected April 2028 (~1.5625 BTC/block).

51. Blockchain.com; Coinbase institutional research, 2025. Peak daily ETF inflows reached \$1–1.4 billion on multiple trading days in Q1 2024 and Q4 2024.

52. Bitcoin block reward halving schedule: 50 BTC (2009), 25 BTC (2012), 12.5 BTC (2016), 6.25 BTC (2020), 3.125 BTC (2024). Next halving expected April 2028 (~1.5625 BTC/block).

53. Bitcoin block reward halving schedule: 50 BTC (2009), 25 BTC (2012), 12.5 BTC (2016), 6.25 BTC (2020), 3.125 BTC (2024). Next halving expected April 2028 (~1.5625 BTC/block).

Chapter 7: Follow the Money

54. SEC filing, January 10, 2024. Eleven spot Bitcoin ETFs approved simultaneously, including iShares Bitcoin Trust (IBIT), Fidelity Wise Origin (FBTC), ARK 21Shares (ARKB), and others.

55. SEC filing, January 10, 2024. Eleven spot Bitcoin ETFs approved simultaneously, including iShares Bitcoin Trust (IBIT), Fidelity Wise Origin (FBTC), ARK 21Shares (ARKB), and others.

56. Bloomberg ETF Research, 2025. IBIT reached \$10 billion AUM in approximately 7 weeks, the fastest of any ETF in history. Previous record holder took over two years.

57. BitMEX Research / Bloomberg, January 2025. Total net inflows into US spot Bitcoin ETFs exceeded \$35 billion in their first 12 months.

58. MicroStrategy (now Strategy) treasury holdings as of March 2026: approximately 762,099 BTC (~\$57.7 billion at ~\$75,700). Average purchase price approximately \$75,694 per BTC.

59. Executive Order on Digital Assets, March 2025. Established the Strategic Bitcoin Reserve using forfeited BTC held by US government (~200,000 BTC). El Salvador has accumulated over 7,500 BTC since September 2021.

60. SEC/CFTC joint classification, March 17, 2026. Bitcoin classified as a “digital commodity” under the Digital Commodity Exchange Act framework.

Chapter 8: The On-Ramp Is Getting Wider

61. PayPal Holdings, Inc., Q4 2023 earnings release. Bitcoin and cryptocurrency trading available to 400+ million PayPal accounts globally.

62. Block, Inc. (Cash App), 2024. Over 50 million monthly active users, with Bitcoin purchases available since 2018. Majority of Bitcoin buyers are under 35.

63. European Union Markets in Crypto-Assets Regulation (MiCA), phased implementation beginning June 2024 (stablecoins), December 2024 (service providers), full compliance December 2024. Provides harmonised regulatory framework across 27 EU member states.

64. SEC/CFTC joint classification, March 17, 2026. Bitcoin classified as a “digital commodity” under the Digital Commodity Exchange Act framework.

Chapter 9: The Loop

65. George Soros, “The Alchemy of Finance,” 1987. The reflexivity theory, as outlined by Soros, argues that market participants’ biased perceptions can influence the fundamentals they’re trying to assess, creating feedback loops.

66. CoinGecko historical data. 2013 cycle: ~\$13 to ~\$1,100 (Dec). 2017 cycle: ~\$1,000 to ~\$19,700 (Dec). 2021 cycle: ~\$10,000 to ~\$69,000 (Nov). Each cycle brought new participant classes.

67. Chainalysis / Glassnode on-chain analysis, 2025. Each cycle has seen progressively higher “floor” prices (higher lows), with the post-2022 bottom (~\$15,500) significantly above the 2018 bottom (~\$3,200).

68. Google Trends data for search term “Bitcoin.” Search volume strongly correlates with price action, with peak searches occurring within days of local price highs in each major cycle.

Chapter 10: What Could Kill This

69. IBM Quantum Roadmap, 2025. Current quantum computers operate at ~1,000–5,000 qubits. Breaking Bitcoin’s elliptic curve cryptography (ECDSA) was previously estimated to require ~13 million stable qubits, but March 2026 research from Google Quantum AI suggests ~500,000 qubits may suffice, with Caltech/Oratomic estimating as few as ~26,000. Timelines have shortened significantly.

70. National Institute of Standards and Technology (NIST), 2024. Published first set of post-quantum cryptographic standards. Bitcoin developers have proposed quantum-resistant signature schemes that could be implemented via soft fork if needed.

71. People’s Bank of China banned financial institutions from Bitcoin services in 2013, banned ICOs and exchanges in 2017, and banned all crypto transactions in 2021. Bitcoin’s network hash rate recovered to pre-ban levels within approximately 6 months each time.

72. Bitcoin protocol history: the 2010 value overflow bug allowed creation of 184 billion BTC in a single transaction. The bug was identified and patched within hours via a soft fork. No other critical consensus bugs have been exploited since.

73. CME Group / Deribit, 2025. Bitcoin futures and options open interest approximately \$45–60 billion across major exchanges. Cash-settled contracts do not require delivery of actual BTC.

74. MicroStrategy/Strategy, SEC 10-K, March 2026. Total debt approximately \$7.2 billion across convertible notes and senior secured notes. BTC holdings ~762,099 BTC. Theoretical break-even on debt-to-holdings ratio is approximately ~\$9.50/BTC, though convertible note structures mean

there is no forced liquidation price as with margin loans. Stress scenarios focus on ability to refinance maturing debt.

75. CoinGecko / TradingView, 2025–2026. Bitcoin reached an all-time high of approximately \$126,000 in October 2025 before declining over 50% to approximately \$60,000 by February 2026 amid global macro uncertainty, trade policy escalation, and leveraged position liquidations. Approximately \$19 billion in leveraged crypto positions were liquidated during the initial sell-off, with 87% being long positions across 1.6 million accounts.

76. CoinGecko historical data. Bitcoin’s major drawdowns: -94% (2011), -87% (2014–2015), -84% (2017–2018), -77% (2021–2022). Recovery time to new all-time high: 2–3 years each time.

77. Strategy (formerly MicroStrategy) issued STRC perpetual preferred stock in 2025, paying a variable monthly dividend in the range of ~9-10%. Subsequent issuances include STRK, STRF, and STRD. SEC filings, 2025-2026.

78. Bitcoin Treasury Tracker / Bitwise data, 2026: over 60 publicly listed companies now hold Bitcoin as a primary treasury asset, with several issuing yield instruments modelled on Strategy’s structure. Notable examples include Metaplanet (Japan), Semler Scientific (US), and Twenty One Capital.