



# *Harry's Take*

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## **Bitcoin Bottoming Here at \$18,000–\$20,000? It's More Likely To Bottom Near Late 2018 Low of \$3,230**

More and more analysts are calling for a bottom in Bitcoin here near the \$20,000 support level... Good luck on that call!

What I always strive to do is to compare any major event or trend happening with something similar in history—and, of course, on a recurring financial cycle, like the 30-year commodity cycle, the 40-year generational cycle, the 45-year technology cycle, or now, the 90-year Super-Bubble cycle and the 4-year Bitcoin/Crypto cycle.

That 90-year cycle is simply a double of the 45-year technology cycle wherein we get super-bubbles like those that have been building since 1995. The first tech-stock bubble was from 1995 to 2000, and the second hit from early 2009 into late 2021. The first housing bubble was from 2000 into early 2006, and the second started in late 2012 and looks to be peaking around now.

But, as I have been saying, crypto is the bubble of bubbles in this second tech (and now “everything”) bubble, much like the dot-com stocks like Amazon led the first tech bubble.

Hence, I have compared the crypto sector bubble today with the Internet stock sector during the last bubble, during which that index crashed 95% from its early 2000 super-bubble top. And, more specifically, I have compared

Bitcoin today with Amazon back then. Both are shown in this chart. Amazon crashed 94.4% from its 2000 bubble high with that broader Internet Index crash of 95%.

### In First Bubble, Amazon Crashed 94.4% and Internet Index Crashed 95%



Source: Bloomberg

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So, I see little chance that the recent low for Bitcoin of \$17,780 is a bottom. What I am looking for here is a 94%–95% or so crash from Bitcoin’s \$69,780 top, and that happens to be right near its last major support low in the crash after the dramatic late 2017 top into late 2018, which was \$3,230. After hitting a low of \$17,780 in mid-June, Bitcoin bounced to \$24,542. It is now back down to about \$19,400. From here, a further crash to \$3,230 would be down 83%! Do you still want to buy here near \$20,000?

**Hence, I adamantly do not recommend buying Bitcoin or the crypto sector at these seemingly bargain prices. The greater the bubble, the bigger the burst. A 70% crash will not be enough for this bubble of bubbles.**

Bitcoin would have to break above \$36,000 for me to even consider the possibility that this might be a bottom.

But just imagine if Bitcoin does go back and just test its natural fourth-wave low near \$3,230 in late 2018... Now, that would be the most specific “buy opportunity” in the sale of a lifetime in stocks since late 1982 and in crypto since late 2018...

Patience should pay off big time here! And since crypto including Bitcoin is the leading tech sector this time around like the dot-coms were in the bubble that peaked in 2021, it should be the strongest tech sector in the next great boom ahead from mid-2024 or so into late 2037. It’s just that you can’t capture it very well in the Nasdaq, as cryptos are coins, not stocks.

Harry

*Got a question or comment? You can contact us at [info@hsdent.com](mailto:info@hsdent.com).*