



Harry's Take

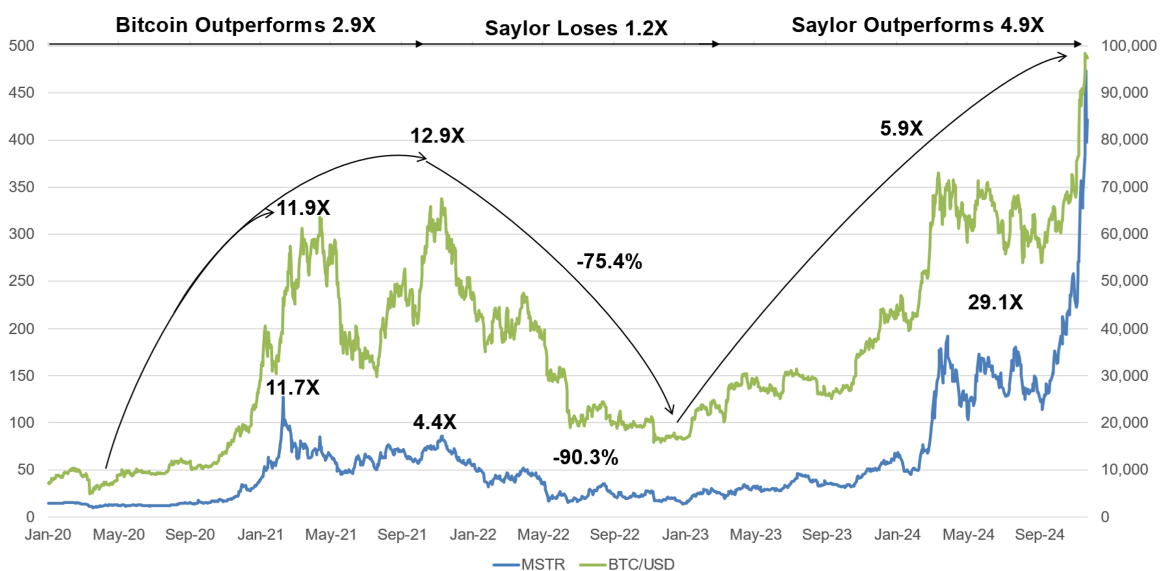
November 26, 2024

Michael Saylor Has Seen an Impressive Learning Curve Playing Bitcoin at MicroStrategy!

My wife Jeanne and I have seen Michael Saylor speak a number of times at Tony Robbin's Platinum Partners Winter Finance Event that occurs in either Whistler, Canada or Sun Valley Idaho every February. I have spoken there for the last 21 years, and it's my favorite audience. High energy entrepreneurs that are the opposite of boring, business executives.

Saylor's company MicroStrategy (MSTR) focuses on leveraging the trend in Bitcoin. I also saw him recently on CNBC. He claims to be striving for roughly double the returns in Bitcoin... but the truth is he has done much better than that more recently.

Saylor's MicroStrategy Play on Bitcoin: Big Learning Curve!



This chart goes back to the bottoming around COVID – from the beginning of 2020 to now. On Bitcoin's first run back then from early 2020 into late 2021, it went up an astounding 12.9X. I show the first part of that run wherein Saylor was approximately matching the Bitcoin returns at 11.7X vs. 11.9X. He underperformed after that, missing most of the second move into November 2021. In the 4-year cycle crash that followed he was down 90.3% vs. Bitcoin down 75.4% (It has averaged about -77% every 4 years).

But here's where the learning curve starts to set in. In the latest major bull run in the new 4-year cycle from 12/29/22 forward, Saylor has gained a super-impressive 29.1 times into the recent near \$100,000 highs vs. Bitcoin's return of 5.9 times, or 4.9X Bitcoin's astounding gains. Now that really shows how much he has learned in just one up and down cycle previously.

The top line of the chart summarizes the whole cycle of investment and learning. Bitcoin outperformed Saylor 2.9 times in the first bull run into November 2021. He also lost 20% more than Bitcoin did in that crash into December 2022. But the grand victory came when he gained an astonishing 29.1X vs. Bitcoin's 5.9X gain in the rally since which is now testing \$100,000.

This should also be a reminder: Bitcoin may be hot, but it is also the leader of one of the most volatile asset classes in history... and bear markets typically move twice as fast as the bull markets do. The next 4-year cycle bottom is due around the end of 2026. But this is the third major 4-year cycle, which to me forms a 5-wave up, larger 1st wave top with three such surges and to be followed by two more major 12-year or so surges into maturity around 2050+.

But here's what could be the wild card in this 4-year cycle: It started a year earlier in its big surge, and could peak near term as much as a year early to allow for a larger 86%+ crash or so back to the last major low of \$15,599 in late 2022. This would simply be a larger, longer 2-wave correction, before the next longer-wave up is likely to peak when the Millennial Spending Wave starts to crest around 2037 (It has a long plateau into around 2050 after that).

Hence, I am going to be watching this trend closely as Bitcoin is one of the best leading indicators for stocks. And stocks are looking topy here, hence are very unlikely to crash until Bitcoin leads the way – and that could at the latest not come until its natural 4-year cycle peak in late 2025... but it could also be starting a lot sooner to allow for this larger 2-wave cycle down. The

next resistance on the upside is around \$105 - \$107,000 if it breaks above this psychological \$100,000 level.

Stay tuned, this story is not over yet.

Harry

Got a question or comment? You can reach us at info@hsdent.com.

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