

The Rise of Bitcoin Is Similar to the Bull Revival of 2019

According to [Bloomberg](#) on Tuesday, citing an unnamed official for Binance, the largest cryptocurrency exchange in the world by trading volume retained inadvertently the collateral for some of the digital currencies it provides in the same wallet as client cash. According to Bloomberg, roughly half of the 94 so-called Binance-peg tokens (B-Tokens) that the exchange released are held in a cold wallet dubbed Binance 8. For the quantity of B-Tokens released, the wallet has more tokens than necessary. According to Bloomberg, the excess shows that the collateral is being mingled with customers' tokens because the tokens are meant to be backed 1:1. The circumstances are similar to those that existed before the second quarter of the 2019 bull run in bitcoin. Then, when the Fed's tightening cycle reached its height, the price increased by 247% to \$13,800. Macro trader Geo Chen noted similarities between 2019's price surge and 2023's in the Jan. 20 edition of his widely read Fidenza Macro Substack-based newsletter: "During the four months prior to the 2019 rally, BTC traded in a tight range near the lows, as shorts pressed their advantage while strong hands accumulated." The Goldilocks scenario of slowing GDP and inflation, which the Fed experienced in conjunction with the 2019 rally, led it to ease off the tightening pedal. Three years passed during the previous tightening cycle of the Fed. It began in December 2015 and lasted until December 2018, and it increased the benchmark borrowing rate of the central bank to a range between 2.25% and 2.5%. Three years passed during the previous tightening

cycle of the Fed. It began in December 2015 and lasted until December 2018, and it increased the benchmark borrowing rate of the central bank to a range between 2.25% and 2.5%. The Fed increased the benchmark borrowing rate from 0% to 4.25% last year. However, with forward-looking indications showing a pronounced downturn in inflation and economic activity, the market anticipates lowering the rate hikes to 25 basis points in February and March and then suspending its rate-hike cycle. The market movements seen in bitcoin since July resemble those seen from late November 2018 to early April 2019. The seller fatigue seen in November of last year and the upturn that followed are consistent with bitcoin's historical pattern of bottoming out 17 months before the mining reward halving and gaining in the year before the event. In March or April, Bitcoin will experience its fourth reward halving, a computer algorithm that slows down the increase of the supply by 50% every four years. Taking everything into account, the direction of least resistance for bitcoin seems to be upward. Rather than bitcoin, Chen nonetheless chooses to purchase ether (ETH), the second-largest cryptocurrency by market value. Because of the weak market, Chen said, "I think the potential for ETH to surpass BTC owing to the Merge has not been completely realized." "I also think that Web 3 and DeFi, which primarily employ ETH as the basic layer, will continue to be the biggest drivers of development and innovation in the crypto industry. In comparison to ETH, BTC will continue to be the low-beta safe haven currency." In the next three months, Chen anticipates ether to

rise as high as \$3,400 after taking a long position in ETH/USD.

Source: [The Pipsafe Team](#) - **The Rise of Bitcoin Is Similar to the Bull Revival of 2019**

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