

LISTEDRESERVE

MoneyBits

Winning Bigly

I wrote these notes on Monday before we knew the outcome. I figured it would be easier to write about Kamala winning before she had done so.

KAMALA

That was not what we wanted. General themes are

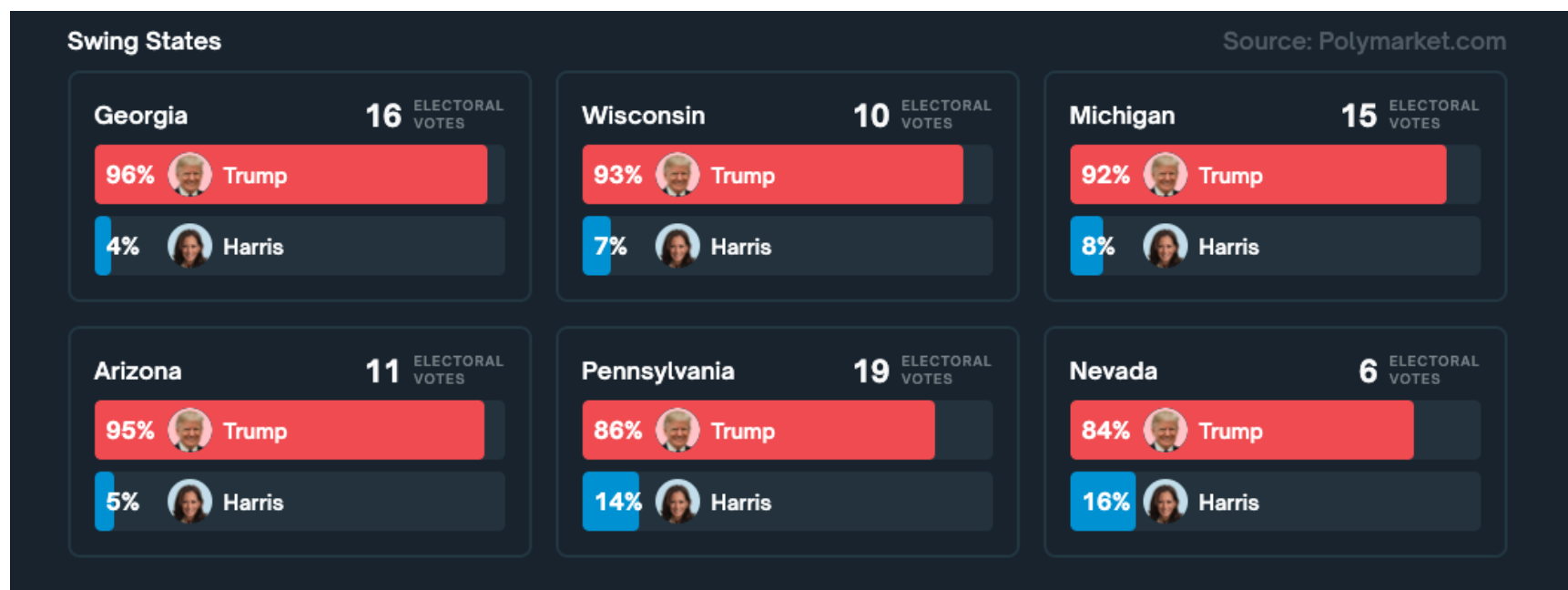
- *echo chambers*
- *prediction markets dominated by echo chamber people and turned out to be wrong*
- *I am in the echo chamber and turned out to be wrong*
- *Still, she will spend a lot and we end up in the same place; takes a bit longer*

TRUMP

- *the better outcome for the fund*
- *don't expect miracles though because he is a dollar guy and only dollars can help him*
- *he also no longer needs bitcoiners because he cannot be re-elected*
- *we accelerate; though the ride may be wild.*

The absolute standout performer for me though was not Donald Trump but Polymarket. The blockchain based prediction market that I would have called over-rated if Kamala had won. It was maligned through the campaign as biased and manipulated. "All the money is just one rich French guy". Far from it though. It accurately predicted the outcome of every swing state hours before the official declarations. It called the Presidency by 2pm our time on Wednesday. Unequivocally, the blockchain prediction market outperformed every pollster, every mainstream political pundit. They were just outright wrong.

It was about 8 hours before CNN could bring itself to publish what had been obvious on Polymarket since the early part of the afternoon.



I do not think attacking our sector is a winning strategy ever again. Commentators on CNN were lamenting that Trump's 'bro strategy' was successful. Without a hint of irony. That exact lamentation is *why you lost*. I hear it in Australia too, people referring to 'Crypto Bro's'. Then in the same breath they will say "we need a more innovative economy that attracts people with the right technical skills. People who will take risks and start businesses".

Bitcoin traded throughout the count when all other markets were closed. It front-ran the result by hours. The blockchain prediction app accurately predicted the outcome. Importantly, you cannot have an opinion on Polymarket unless you pay and you can only pay in stable coins. Contrast that with the mainstream media where there is a never ending queue of people who incur no cost to be a talking head. They take no risk, simply vocalising to placate their own constituency.

The last few days have been a more than adequate demonstration that software is much better at some things than people are. Software has no bias, it has no angle. That is why I believe Bitcoin to be the best money in the world. It does not know who won the US election and it does not care.

All Australians will have their student debt cut by 20% next financial year, as part of a major federal government overhaul designed to boost access to education and address “intergenerational unfairness”.

“Intergenerational unfairness”.

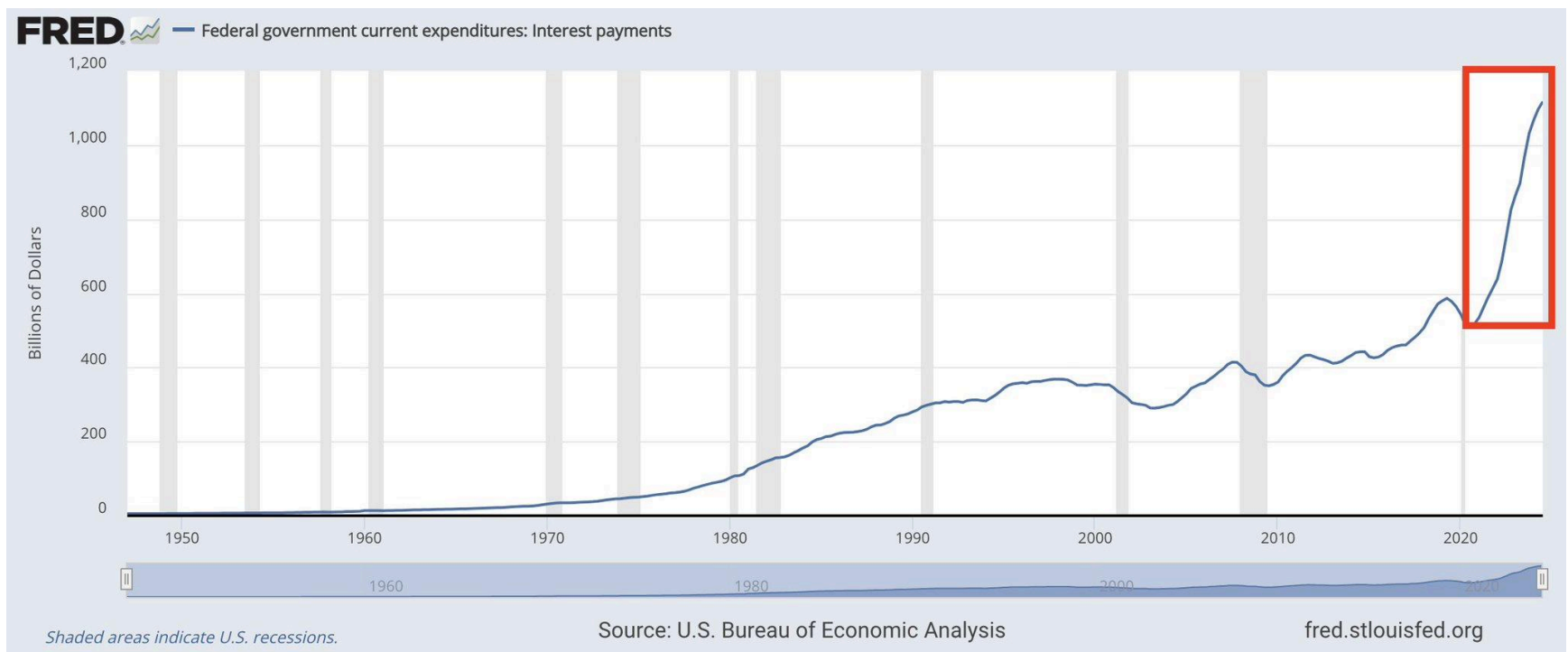
Ordinarily, I would pour scorn on such governmental nonsense-speak except in this case it is entirely true. The story is a long one, you are familiar with it all. In the Covid years, the government printed an awful lot of money. Inflation accelerated to 7.5% and higher. Asset prices rose a great deal. If you owned assets (older people) it was great, they rocketed in value and your fixed interest debt dissolved. If you were a student, or recently entered into the workforce your HECS debt was index-linked so it rocketed too; the wages you are paid did not. Now you are poor (younger people).

Since Anthony Albanese took office indexation has added about 16% to student debts but wages have not risen anything like that. So, the government proposes that student debt cannot rise more than the general rate of wages, as opposed to standard indexation. I must say, on the face of it, I agree with this. However, the whole thing gives the game away.

The surge in inflation revealed that inflation is really just theft. It is surely entirely inappropriate that the largest economic actor in the country also controls the supply of money. There is no way this pattern survives because increasingly people know this is a fraud. The Australian government's proposed changes basically make clear: yes it is a fraud. We can simply shift intertemporally who is wealthy and who is not through the allocation of our pretend money. What is the point of saving? What is the point of working all year and saving, say \$50k, and then watching it drop 16% in two years after the government has already taxed it at 45%?

There is simply no getting away from this either because of the vertical nature of government debt. As a consequence, the value of money is going to continue to tank and the story about how that is not happening will become more and more ridiculous.

We should not view this negatively either, a bad system is simply being replaced by a better one.



I expect, as pressure builds in the US and elsewhere, that this kind of thing will get a lot more common. Fiat money is such a ridiculous idea that it continually throws up anomaly after anomaly which the government is then forced to intervene to solve. More fundamentally, the arguments that specific groups make about why they have been hard done by are actually very good. HECS holders got completely screwed because wages do not rise at the rate of inflation. The returns to labour are dropping like a stone and will continue to.

This will go on and on. The largest voter cohort, 50+ will have their say though, they need their bonds to pay out. That group is the most at risk. Younger people are mobile, not just in where they work but in how they get paid. Will people continue to accept dollars for their time?

The intergenerational wealth shift that is coming will be like nothing before it.

Grandad is wealthy, he owns houses everywhere and at 70, life is good. Unfortunately the roof on his house is leaking and needs to be replaced. When the roofer arrives he simply says, “sure I can do it for you; pay me in Bitcoin”.

What then?

Further down the ticket

 **Bitcoin News**  @BitcoinNewsCom · 19h

Operation Chokepoint 2.0's main enforcer, Senate Banking Committee Chair Sherrod Brown of Ohio, has lost his Senate seat.



Less well publicised has been the defeat of Ohio Senator Sherrod Brown. The 71 year old has held the seat since 2007 and was defeated on Tuesday by Bernie Moreno.

It might seem trivial, but Mr Brown was the Chairman of the Senate Banking Committee and was a key figure in [Operation Chokepoint 2](#). Chokepoint weaponized the banking sector against the crypto-industry by denying access to banking platforms. The goal was to destroy bitcoin in America. It initially worked and successfully took out the perfectly solvent Silvergate bank. A good business was needlessly destroyed.

Unfortunately for Mr Brown and his banking sponsors, those actions then threatened the collapse of the whole fragile banking system and Chokepoint 2 was paused.


Memories are long though. The industry spent a lot of money during the campaign to unseat him.



Bernie Moreno
Republican Party

50.2%

2,803,634 votes

 Flipped the seat



Sherrod Brown
Democratic Party · Incumbent

46.4%

2,592,539 votes

As they say: if you come for the King, you best not miss.

LinkedIn



Meme of the week then, let the schadenfreude roll.

When Trump takes office there is now a good chance that Hester Peirce will take over as SEC Chair. Ms Peirce was the sole champion of the bitcoin ETF at the SEC. She poured scorn on their blocking attempts at risk to her career and reputation. She is the sole champion of bitcoin within the American government. I have great respect for her because she took reputational risk, which Gensler does everything to avoid.

If she gets there, the tables would be turned.

Euro-Trash



Christine Lagarde @Lagarde · Nov 8, 2020

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I congratulate President-elect @JoeBiden and Vice President-elect @KamalaHarris, the first woman to serve as Vice President. I sincerely wish all the best to both of you, tackling the tremendous challenges that lie ahead.

In 2024, the only election cheer she could muster in US election week for the President of Moldova.



Christine Lagarde @Lagarde · Nov 5

Congratulations @sandumaiamd on your reelection as President of Moldova!

Your strength, courage and leadership are an inspiration.

I suppose nobody thinks about Europe that much in the context of US elections. But we can absolutely say that this is a total disaster for them. The fight between US Tech and the EU is about to get much more aggressive with the backing of the President Elect and the shadow of Elon Musk looming over the administration. Europe's enemy number one.

Europeans already receive the latest American AI toys at least 3 months after the rest of the world. Expect that to continue and worse I suspect.

Still, Ursula von der Leyen managed to grit her teeth and pay homage. She was Germany's Defence Minister during Trump's first term when he was hugely critical of German defence spending. She loathes him deeply which made her 'warm congratulations' even more enjoyably hollow than they would otherwise have been. Nice article in the Spectator here about [Ursula von der Leyen's worst nightmare](#).



Ursula von der Leyen @vonderleyen · 12h

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I warmly congratulate Donald J. Trump.

The EU and the US are more than just allies.

We are bound by a true partnership between our people, uniting 800 million citizens.

So let's work together on a strong transatlantic agenda that keeps delivering for them.

The real risk for Europe though is that they persist with their strategy of control and regulation. They basically have no tech sector now. Totally reliant on the US tech giants for almost everything. A non-existent innovation culture and a declining population among the young. Their choice is clear; they can lament how awful that bully Donald Trump is and hide for four years. Or, they could do something about it, kill some red tape and actually *take some risk and give it a go*.

The day after the election though, France delivered Europe's answer.

France to ban users' access to Polymarket: report

By Aleks Gilbert · 6 November 2024

- France's gambling regulator is reportedly preparing to ban Polymarket in the country.
- The crypto-based platform came to the regulator's attention after a report that a Frenchman used it to place massive bets on the US presidential election.