



Make Big Money in Crypto — Whether Bitcoin Goes Up or Down

by Juan Villaverde, with Bruce Ng

Prior to 2017, most people had never even heard of crypto.

That's when the world's first cryptocurrency, **Bitcoin (BTC, Tech/Adoption Grade "A-")**, burst up from \$20 to \$20,000 ... and made thousands of investors fabulously rich.

Today, there are more than 12,000 cryptocurrencies. And the crypto revolution is turning the world upside down in ways most people couldn't imagine just a few years ago.

- **Thanks to decentralized finance (DeFi), it's possible to earn 10% to 19% interest on deposits with near-zero risk to your principal.**

How popular do you think that is in today's yield-starved world where you're lucky to earn interest of half a percent on bank deposits?

Answer: Wildly popular. Investors are pouring in so fast, the amount of money locked up in various DeFi platforms shot up from \$1 billion to roughly of \$100 billion — in just 14 months.

That's 9,900% growth!

But the problem for investors new to crypto has always been:

How do I get in on it without having to pick the next red-hot crypto ...

Or face 80%-90% losses the next time Bitcoin falls out of bed and drags crypto markets down into the basement?

That brings us to this month's recommendation in ...

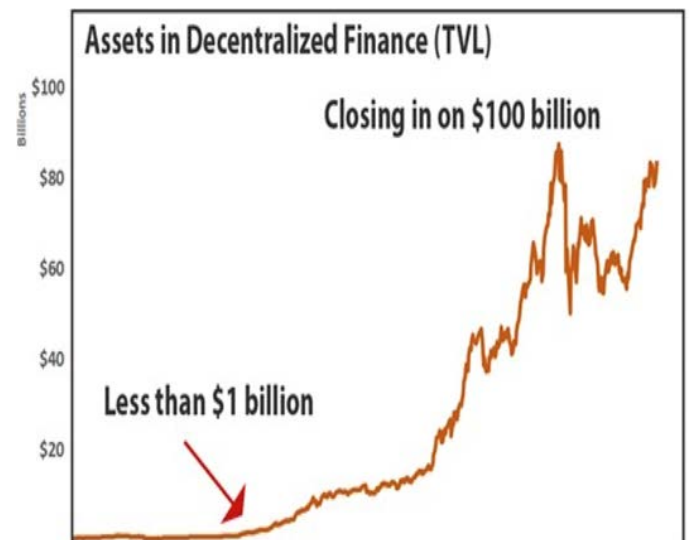


Figure 1. Source: DeFipulse.com.

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The Company That Aims to Be for Crypto What Google Is to Internet Search

Coinbase (Nasdaq: COIN) is America's No. 1 centralized cryptocurrency exchange. It aspires to be a one-stop shop for all things crypto. If you own crypto, chances are you're already a customer.

To investors, Coinbase offers four key advantages:

1] You don't have to pick the next Bitcoin to make money. With more than 80 listed cryptos and 224 trading pairs, Coinbase gives you broad exposure to a vast swath of the fast-growing crypto universe.

2] Coinbase's No. 1 source of income is market-agnostic. It doesn't matter whether crypto prices are rising or falling. As long as investors invest and traders trade, transaction fee income rolls in. This should give Coinbase shares some protection during crypto market downturns.

3] Robust growth in users, revenues and profits give the stock plenty of upside. Consider this:

- In the first quarter of 2021, Coinbase generated \$1.6 billion in revenue and \$771.46 million in net income.

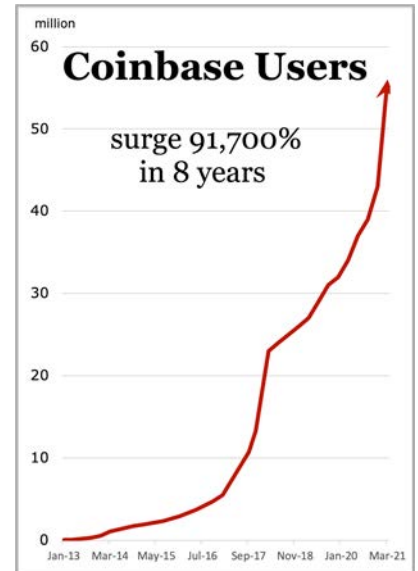
That's an increase of 791% and 2,312%, respectively, compared to year-ago numbers.

- In the second quarter of 2021, revenue increased further by \$436 million (27%), and net income rose by \$834.8 million (108%).

Compared to year-ago numbers, those are increases of 1,040% and 4,879%, respectively.

4] Despite this monster growth, shares are still cheap. In fact, you can actually scoop 'em up a couple bucks under its initial offering price.

Indeed, at current levels, Coinbase trades at only 18 times earnings. That's roughly half the price-to-earnings ratio of the average Nasdaq 100 stock (34.91) — which has far fewer bullish prospects than Coinbase.



Why Is COIN So Cheap, Relatively Speaking?

Most likely because Wall Street thinks crypto markets' best days are already past — at least for this year. But this opinion could scarcely be more mistaken.

Our Timing Model puts us right on the cusp of the most explosive, parabolic phase of crypto's four-year cycle.



Indeed, the final parabolic year of the bull market — which we believe is now beginning — is so explosive, it makes the prior year seem virtually flat by comparison.

But even if our model proves to only be half right ... stock investors are going to be positively clamoring to get into crypto. And Coinbase shares are going to be an obvious attraction to pile into.

Here's what to do:

Buy Coinbase Global Inc. (Nasdaq: COIN) at \$241.00 or better. This order is good-till-canceled.

Shares recently traded at \$268.97. Put in this limit order in and let the price come to you.

Do it now to get in ahead of the thundering herd.

Politicians Poked a Sleeping Crypto Giant – and It Bit Back!

The Biden administration's much-touted "infrastructure bill" weighs in at some 2,700 pages and proposes spending some \$550 billion. But only about 10% of that amount would fund actual infrastructure.

Tucked away among those mind-numbing 2,700 pages was a small, little-read, and even less-understood provision targeting crypto in a major way.

But when word leaked out, much to everyone's surprise, the ensuing uproar nearly raised the roof:

... taxing the hell out of something we know nothing about, so we can pass a giant bill we haven't read and spend the American people's money on stuff we can't afford ... is reckless and harmful!

Thus thundered Texas Sen. Ted Cruz from the Senate floor. We don't follow Texas politics and don't know much about Mr. Cruz ... but the man absolutely has a point. At least in this case.

That's because the crypto language in this bill expands the definition of "broker" so broadly, it would apply to virtually anyone involved with anything in crypto.

Moreover, the burden of reporting, compliance requirements and other red tape that heavily regulated banks and stockbrokers are subject to ... would crush the life out of innovation, which is the beating heart of crypto.

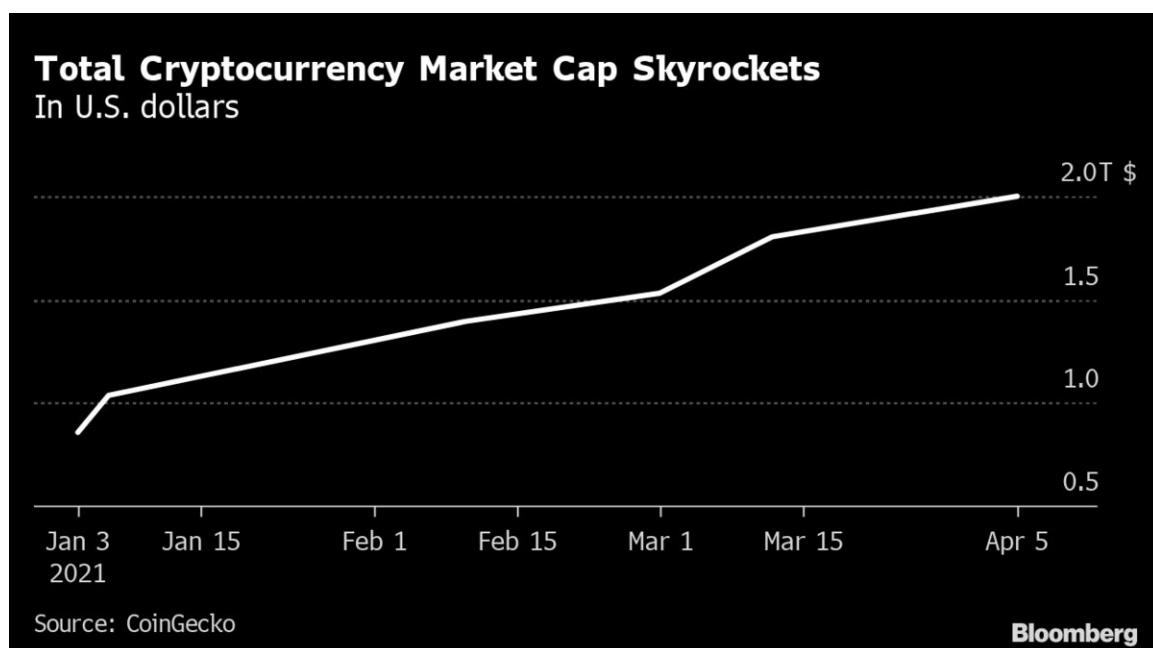
The Slumbering Giant Stirs

Lots of people in crypto see this bill as a direct assault on their passion and livelihood. So, they rapidly banded together to lobby legislators. (Some are even jumping into politics, because of this.)

Of course, members of Congress have lots of experience dealing with lobbyists. Another industry group showing up to demand a say in legislation is hardly anything new.

But what they likely haven't seen before ... is the energy and passion of crypto true believers.

Never forget: Crypto's total market cap went from zero to \$2 trillion in just a dozen years. No other industry can match such meteoric growth.



Along the way, crypto spawned more millionaires and billionaires faster than any other sector or industry. And it's only just getting started.

Plus, every time Bitcoin and other crypto assets create more wealth for their owners, it broadens and expands the community as a whole.

And now these highly motivated legions of true believers are finally waking up to march against the ugly reality of D.C. politics.

How Does This Story End?

- With more and more voters losing patience with their elected representatives.
- With more savers and investors joining the millions who already feel cheated by a financial system that's seems rigged against them.

Why do ordinary people earn 0.2% on a one-year CD, but then have to pay 20% interest on a credit card issued by the same bank? Sheesh!

- With more furious backlash against institutions once held in high regard. Like Congress. And the Federal Reserve.
- With people voting more than their ballots ... they're also going to vote with their wallets.

They're going to exit the corrupt legacy financial system, and embrace the open, transparent, global, egalitarian, decentralized and incorruptible system ... that crypto innovators have been building nonstop for over a decade.

And they'll demand the freedom it guarantees, and the protection it offers from government overreach.

Doesn't All This Leave A Dark Cloud Hanging Over the Future of Crypto?

Not really. In truth, crypto is going to chug along just fine. New infrastructure will continue to be built.

Innovation will continue, maybe even accelerate. And investors in the right coins will still make vast fortunes.

That's because the surge in economic and financial innovation unleashed by Bitcoin will not — and cannot — be halted.


If Washington throws up too many roadblocks, innovation will just move offshore to friendlier jurisdictions.

One way or another, pioneering a new paradigm in money, value, finance and society in general ... will continue.

But the U.S. could wind up taking a backseat.

Weiss Crypto Investor Portfolio Average Open Gain: 603%

Cardano (**ADA**) — Hits New All-Time Highs — Up a Whopping 4,705%!


 ADA is a third-generation crypto with the grand ambition of knocking Ethereum off its perch as the world's No. 1 smart-contract platform. And, recently, it hit a new all-time high near \$3

Cardano also has major momentum on its side as everyone is awaiting next month's smart contract rollout.

Remember, a successful launch will be incredibly bullish for this exciting asset. And with the traction this asset is already gaining, there is little cause for concern.

Hold with confidence.

Bitcoin (**BTC**) — Up 447% as It Climbs to New Cycle Highs Near \$50

 President Biden's approval ratings are plunging as the botched Afghan withdrawal threatens to leave hundreds of Americans stranded behind Taliban lines.

But bull markets love to climb a wall of worry — especially in crypto. And Bitcoin just staged a spirited rally until it ran into resistance near the \$50,000 level.

That's another thing about markets: They love round numbers. Accordingly, Bitcoin's post-\$50,000 pullback

was easy to predict.

BTC is now essentially taking a two steps forward, one step back approach in its rebound from its July 19 lows, and that's okay.

Actually, that's better than okay. It's exactly what a healthy rise in prices should look like. Stay patient and hold.

Ethereum (ETH) – Up 1,415% as \$270 Million Worth of Tokens Gets Burned in 3 Weeks



There is now less than 20 million ETH being held on world crypto exchanges! This is a historic minimum, and a very bullish development.



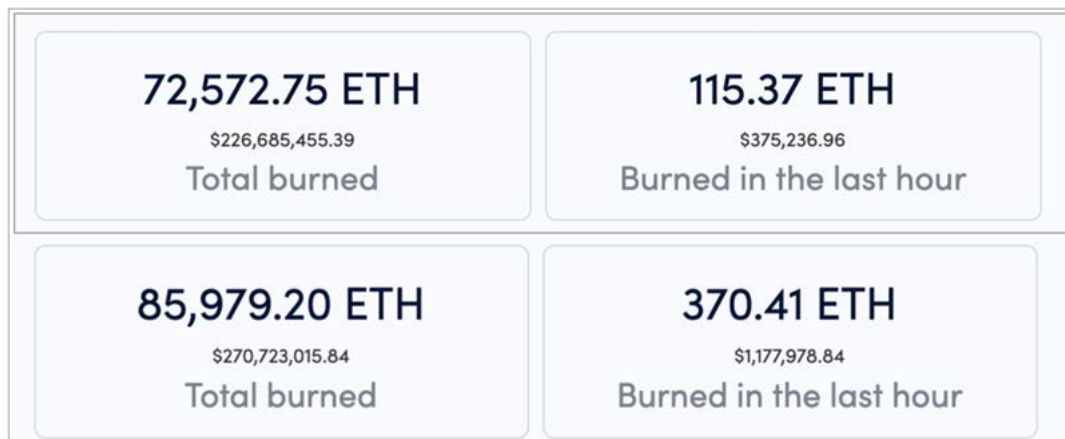
ETH price action over the past year. ETH is near record highs.

Where has the supply of ETH gone?

Well, a lot of it is being held in wallets, as users hoard it for the longer term. Beyond that, there's ...

- Decentralized finance (DeFi). DeFi Pulse reports a whopping 9.6 million ETH (worth \$31 billion) is locked up in the smart contracts of various DeFi dApps.
- Staking. Roughly 7 million ETH (worth \$23 billion) has been staked in the ETH2 contract and will remain out of circulation until the next phase of Ethereum 2.0 rolls out.
- Fee burning. Ethereum's new fee-burning mechanism will be the biggest cause of permanent supply reductions. Since the London fork upgrade went live on Aug. 5, over \$270 million of ETH has already been destroyed.

And that's in just three weeks! Imagine how bullish this could be for prices, longer term.




Source: Ethburned

Ethereum is the largest smart-contract platform in crypto. It also has more active users. And it's No. 1 in DeFi applications, stablecoin transactions, and transactions on a blockchain.

Our recommendation: Hold your crypto.

Chainlink (**LINK**) — Now Up 430% and Rising


 Chainlink has now doubled from its July 19 bottom — which also happened to be an 80-day-cycle low. So far, so good. The next resistance level to be overcome lies near the \$30 level.

LINK, you recall, is the Bloomberg Terminal of smart contracts. It's the top supplier of the real-world information streams — asset prices, interest rates, exchange rates, etc. — that smart contracts need to function.

Smart contracts are the vanguard of the cryptocurrency revolution today. DeFi is the hottest sector in crypto, and Chainlink occupies the sweet spot where they intersect.

Because of this, long-term usage trends are very bullish indeed. As recently as May, LINK was a \$50 coin. We have no doubt it's eventually going back to that level and beyond. Don't lose patience before that happens.

Synthetix (**SNX**) — Higher Highs and Higher Lows

 The most important character of Synthetix recent price action is how it now seems to be tracing out higher highs and higher lows.


This is a welcome and healthy development, and points toward higher prices ahead. Remember, if you acted on our original recommendation, you should be tracking yet-to-be-harvested gains of over 70%, so be patient.

Synthetix, you recall, is a decentralized exchange (DEX) that allows you to trade synthetic assets like crypto, stocks, commodities, forex, etc.

But unlike traditional trading channels, there's no broker, banker, market-maker or custodian standing in the middle of every transaction and taking a slice out of it.

These are the fundamental factors pushing higher and the heart of the bullish case. Hang on for greater gains going forward.

Polygon (**MATIC**) — Big Potential For NFTs and Gaming

 Polygon aims to pile up big profits for investors by helping Ethereum live up to its global promise.

It runs on top of Ethereum (that is, Layer 2), with only summaries of its transactions actually settling on Ethereum's (Layer 1) blockchain.

This enables it to scale far beyond anything that its current Proof-of-Work blockchain is capable of.


For example, network fees on Polygon run only about 1/1,000th of a cent per transaction. But they can easily run as high as \$10, \$25 or higher on Ethereum, depending on network congestion.

Polygon is also customizable and upgradeable. Developers love it. And so do users.

Plus, it can also process a transaction in about two seconds — compared to minutes on Ethereum. That makes it an excellent fit for gaming.

And with the viral popularity of P2E (play-to-earn), the hottest new concept in online gaming, this could be the catalyst that sends MATIC soaring once again. Keep holding.

Aave (**AAVE**) — A Slumbering DeFi Blue-Chip



 Aave is a decentralized money market protocol where users can lend and borrow cryptocurrencies across 20 different assets as collateral — including Dai ([DAI](#)), Uniswap ([UNI](#)) and yearn.finance ([YFI](#)).

For the first time since its June 27 low (under \$200), AAVE has finally managed to scramble back above \$400. And even though it is now having trouble holding on to this high ground, we are encouraged by seeing it rise in a pattern of higher highs and higher lows.

Earlier this year, AAVE was a front runner in the booming DeFi sector. Its fundamentals haven't changed, and DeFi is still red-hot. That's why we think it's only a matter of time until AAVE once again claims its leadership position among blockchain-based money markets.

We've said it before, and we'll say it again: HOLD!

Monero (**XMR**) and Zcash (**ZEC**) — Now Up 108% and 69%, Respectively

  Monero and Zcash are the world's No. 1 and 2 privacy coins. That is, they are basically the

encrypted version of Bitcoin.

XMR encrypts every transaction by default.

With ZEC, you can choose whether to encrypt or not. Zcash also copied Bitcoin's maximum supply cap of 21 million coins. That scarcity is likely to factor into prices going forward.



Recent XRM price action.

One of the key forces propelling both coins higher is growing concerns about the fungibility of Bitcoin.

Nobel Prize winning economist Milton Friedman famously observed: "A dollar is a dollar ... is a dollar." Even though paper banknotes all have unique serial numbers, each one is always equal to every other one in value.

That may not be technically true of Bitcoin. The radical transparency of the BTC blockchain makes it possible to trace every transaction every single token has been involved in — from the moment it was first mined.

In and of itself, this is not a problem. The problem is today's anti-money laundering laws. Which make it a serious crime to have any contact at all with funds connected to unlawful activity.

Suppose for example, somewhere in a particular token's multi-million transaction history ... just one in its long string of serial owners got convicted of a crime. Under present laws, that token remains fruit of the poisonous tree forever.

This makes anyone — who even unknowingly and innocently lets this token pass through his hands — instantly guilty of a major felony. At least theoretically.

This problem doesn't occur with paper banknotes, because there's no way to reconstruct their transaction histories. Thus, they remain truly fungible. Not so, Bitcoin.

Privacy coins solve this problem by making individual tokens' transaction histories unreadable.

Accordingly, it was no accident Monero hit new cycle highs(above \$300) — just as the BTC-XMR atomic swap went live on its mainnet.

Atomic swaps allow users to privately swap their cryptos — without any involvement of third parties — in a completely decentralized and un-censorable way.

This is another example of how privacy coins are a key niche in the crypto market. As such, they belong in any well-diversified crypto portfolio.

Hold on for further gains.

Weiss Crypto Investor Portfolio Table

Recommendation	Reco Date	\$ Cost	Current Quote (\$) as of 08/27/21	Total % Gain
Crypto Positions				
Cardano (ADA/USD) **	9/12/18	\$0.05368758	\$2.580000	4705.6%
Bitcoin (BTC/USD)*	4/26/19	\$8,629.30	\$47,229.00	447.3%
Ethereum (ETH/USD)***	8/7/19	\$206.04	\$3,122.97	1415.7%
Chainlink (LINK/USD)	6/26/20	\$4.72	\$24.81	430.1%
Synthetix (SNX/USD)	8/28/20	\$6.89	\$11.67	71.6%
Monero (XMR)	1/29/21	\$141.94	\$296.15	108.9%
Zcash (ZEC)	1/29/21	\$86.78	\$147.07	69.5%
AAVE (AAVE)	3/26/21	\$355.61	\$356.08	0.1%
Polygon (MATIC)	5/29/21	\$1.69	\$1.40	-17.2%
Stock Positions				
Grayscale BTC Trust (GBTC)	3/26/21	\$46.43	\$37.82	-18.5%
Grayscale BTC Trust (GBTC)	5/13/21	\$33.50	\$37.82	-12.9%
Grayscale Ethereum Trust (ETHE)	6/8/21	\$24.85	\$29.51	-18.8%
* Bitcoin's \$ Cost and Total % Gain columns reflect average of initial purchase 4/26/19 (\$5,217.25) and subsequent buys 8/7/19 (\$11,901.45), 8/30/19 (\$9,584.37), 10/2/19 (\$8,266.70), 11/1/19 (\$9,255.15), 4/24/20, (\$7,550.90)				
*** Ethereum \$ Cost and Total % Gain columns reflect average of initial purchase 8/7/19 (\$224.51) and subsequent buys on 4/24/20 (\$187.57)				
** Cardano \$ Cost and Total % Gain columns reflect average of initial purchase 9/12/18 (\$0.06840000) and subsequent buy 11/27/19 (\$0.03897516).				

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