

Bitcoin Tops \$100,000

With Bitcoin recently surpassing \$100,000 per coin, this week's "Three on Thursday" explores the cryptocurrency in depth. For the uninitiated, Bitcoin (BTC) is a decentralized digital currency, independent of central banks or administrators. It uses blockchain technology—a distributed ledger—to record transactions securely and transparently. Launched in 2008 by the pseudonymous Satoshi Nakamoto, Bitcoin enables peer-to-peer transfers verified by a network of computers through a process called mining. Miners solve complex mathematical problems to validate transactions and are rewarded with new Bitcoins, gradually increasing its supply. Bitcoin's appeal lies in its secure, borderless, and inflation-resistant nature, offering an alternative to traditional financial systems. See the tables and graphic below for further insights.

Distribution of Bitcoin Ownership

Balance, BTC	Addresses	Share of Total Addresses	Coins	Share of Total Coins	USD
(0 - 0.00001)	6,175,290	11.3%	35.43	0.0%	\$3,633,191
(0.00001 - 0.0001)	11,300,668	20.7%	475.64	0.0%	\$48,773,154
(0.0001 - 0.001)	13,017,922	23.9%	4,939	0.0%	\$506,481,472
(0.001 - 0.01)	11,675,880	21.4%	43,085	0.2%	\$4,418,019,912
(0.01 - 0.1)	7,942,533	14.6%	269,051	1.4%	\$27,588,969,852
(0.1 - 1)	3,472,790	6.4%	1,072,609	5.4%	\$109,987,469,294
(1 - 10)	840,153	1.5%	2,087,429	10.5%	\$214,049,114,224
(10 - 100)	134,357	0.3%	4,299,053	21.7%	\$440,833,363,703
(100 - 1,000)	15,692	0.03%	4,452,079	22.5%	\$456,524,962,884
(1,000 - 10,000)	1,963	0.0%	4,624,150	23.4%	\$474,169,426,304
(10,000 - 100,000)	92	0.0%	2,293,912	11.6%	\$235,222,253,894
(100,000 - 1,000,000)	4	0.0%	648,734	3.3%	\$66,522,499,862
Total	54,577,344	100%	19,795,552	100%	\$2,029,874,967,746

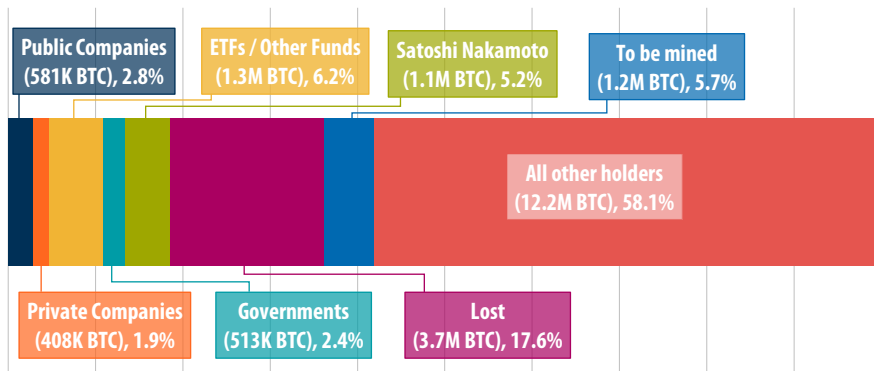
Source: BitInfoCharts.com, First Trust Advisors. Data as of 12/19/2024.

Bitcoin Corrections from All-Time Highs

Correction Period	Days	Bitcoin High	Bitcoin Low	Decline to Low	Return to New High	New High Date	# Days to New High
11/10/21 - 11/21/22	376	68991	15480	-78%	346%	3/5/24	846
4/14/21 - 6/22/21	69	64802	29031	-55%	123%	10/20/21	189
1/8/21 - 1/21/21	13	41962	28845	-31%	45%	2/8/21	31
12/17/17 - 12/15/18	363	19783	3122	-84%	534%	11/30/20	1079
11/8/17 - 11/12/17	4	7879	5507	-30%	43%	11/16/17	8
9/2/17 - 9/15/17	13	5014	2951	-41%	70%	10/12/17	40
6/11/17 - 7/16/17	35	3025	1837	-39%	65%	8/5/17	55
3/10/17 - 3/24/17	14	1326	892	-33%	49%	4/27/17	48
11/30/13 - 1/14/15	410	1166	170	-85%	585%	2/23/17	1181
4/10/13 - 7/7/13	88	266	63	-76%	323%	11/7/13	211
6/8/11 - 11/17/11	162	32	1.99	-94%	1504%	2/28/13	631
5/13/11 - 5/21/11	8	8.45	5.58	-34%	51%	5/25/11	12
2/10/11 - 4/4/11	53	1.1	0.56	-49%	96%	4/17/11	66
11/6/10 - 11/10/10	4	0.5	0.14	-72%	257%	1/31/11	86
9/14/10 - 10/8/10	24	0.17	0.01	-94%	1600%	10/24/10	40

Source: Charlie Bilello - Creative Planning, CoinDesk, First Trust Advisors.

HOLDERS OF BITCOIN



Source: BitInfoCharts.com, NorthCrypto, First Trust Advisors. Data as of 12/19/24.

As of this morning, there are 19.8 million BTC in circulation across 54.58 million addresses, according to BitInfoCharts. Wealth distribution in Bitcoin is highly concentrated, with the top 10 addresses holding 5.68% of all BTC, and the top 100, 1,000, and 10,000 addresses controlling 15.06%, 31.92%, and 55.50%, respectively. The median wallet balance is between 0.0001 and 0.001 BTC (about \$10.00-\$100.00), highlighting a steep wealth disparity within the Bitcoin ecosystem. It's worth noting that individuals can own multiple addresses. For example, Satoshi Nakamoto, Bitcoin's creator, is estimated to hold 1.1 million BTC across 22,000 addresses.

In 2010, Laszlo Hanyecz made the first Bitcoin transaction, paying 10,000 BTC for two Papa John's pizzas—enough to buy 77% of the entire Papa John's company today if he held instead. Bitcoin's journey since has been wildly unpredictable, with 15 drawdowns of 30% or more from previous peaks, including crashes of 94%, 85%, and 78%. Recoveries often took years, testing investor patience. Despite the volatility, Bitcoin has rewarded long-term holders, rising from less than a cent to over \$108,000 per coin at its peak.

In 2013, IT engineer James Howells accidentally discarded a hard drive containing 8,000 BTC. At the time, it was worth \$4 million; today, it's valued at over \$800 million. He continues to petition Newport's council for access to the landfill to search beneath 11 years of trash. Bitcoin's supply is capped at 21 million coins, a feature that protects it from inflation. Currently, 19.8 million BTC (94.3% of the total) have been mined, with the final coin expected around 2140. However, 3-4 million BTC are estimated to be lost forever, making the actual supply even scarcer.

There is no guarantee that past trends will continue, or projections will be realized. This report was prepared by First Trust Advisors L.P., and reflects the current opinion of the authors. It is based upon sources and data believed to be accurate and reliable. Opinions and forward looking statements expressed are subject to change without notice. This information does not constitute a solicitation or an offer to buy or sell any security.