
THE FIXED INCOME CONTRARIAN COMPENDIUM

July 2016

Murray's Musings

BITCOIN WALLET GROWTH

According to blockchain.info, a year ago there were 3,601,449 Bitcoin wallets. Now there are 7,667,202, an increase of 4,065,753 wallets or an annual growth rate of 112.89%. This amounts to an increase in new wallets at the rate of 11,139 per day. Incidentally, this number does not correspond with the number cited earlier in this report, because the data was accessed at different times.

Subsequent to July 10, 2016, there will be only 1,800 bitcoins created on a daily basis, or 0.1616 new bitcoin for each Bitcoin wallet created. The average Bitcoin wallet now holds 2.0446 bitcoins.

This is clearly a supply/demand imbalance that cannot be rectified by increasing supply, since new issuance is fixed. Therefore, either demand could decline, which would rectify the imbalance, or the price could increase to ration the available supply.

As an aside, in the time it took to write this section alone, the Bitcoin wallet count increased to 7,667,751 from 7,667,202.

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