

Subject: File No. SR-CboeBZX-2021-024
From: SAM AHN

This is my 16th comment on bitcoin. All my writings on bitcoin, including this, are about intrinsic value. My previous comments can be found at these links:

Link 1: <https://www.sec.gov/comments/sr-cboebzx-2018-040/srcboebzx2018040-4206251-172835.htm>
Link 2: <https://www.sec.gov/comments/sr-nysearca-2017-139/nysearca2017139-4221685-172898.htm>
Link 3: <https://www.sec.gov/comments/sr-cboebzx-2018-001/cboebzx2018001-4226785-172988.htm>
Link 4: <https://www.sec.gov/comments/sr-nysearca-2018-02/nysearca201802-4240462-173003.pdf>
Link 5: <https://www.sec.gov/comments/sr-cboebzx-2018-040/srcboebzx2018040-4274529-173133.pdf>
Link 6: <https://www.sec.gov/comments/sr-cboebzx-2018-040/srcboebzx2018040-4530331-176071.pdf>
Link 7: <https://www.sec.gov/comments/sr-cboebzx-2018-001/cboebzx2018001-4581773-176242.pdf>
Link 8: <https://www.sec.gov/comments/sr-cboebzx-2019-004/srcboebzx2019004-4934624-178449.pdf>
Link 9: <https://www.sec.gov/comments/sr-cboebzx-2019-004/srcboebzx2019004-5180412-183546.pdf>
Link 10: <https://www.sec.gov/comments/sr-cboebzx-2019-004/srcboebzx2019004-5318047-183890.pdf>
Link 11: <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-5524009-185228.pdf>
Link 12: <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-5706832-185947.pdf>
Link 13: <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-5717064-186027.pdf>
Link 14: <https://www.sec.gov/comments/sr-nysearca-2019-39/srnysearca201939-5810618-187451.pdf>
Link 15: <https://www.sec.gov/comments/sr-cboebzx-2021-019/srcboebzx2021019-8652267-231475.pdf>

What triggered this writing is Figure 1 below. You can find it at Link 17 below, a part of footnote 7 to a passage in Page 3 of Link 16 hereunder:

Link 16: <https://www.sec.gov/rules/sro/cboebzx/2021/34-91521.pdf>

Link 17: <https://www.fidelitydigitalassets.com/articles/addressing-bitcoin-criticisms>

(Figure 1)



Figure 1 looks, at first glance, as if something of bitcoin has been quite stable. But what is stable is the level of volatility. For example, the light brown line in Figure 1 denotes 3-day volatility, which is percentage price change in every three days. We can eye-guess about 3% price change every three days – all the time. Sometimes, the 3-day change goes above 15%. Other times, the 3-day price change comes down below 1%. But most of the time, it is around 3%. In brief, bitcoin price goes down or goes up by about 3% every 3 days all the time.

The kind of stability in Figure 1 does not mean that bitcoin price was, is or will be stable anyway. Between the volatility-less-ness of Figure 1 and stability of bitcoin price, there are two conceptual differences. First, that the volatility is stable means it is always volatile, as explained so far.

Second, volatility is a measure of price changes either upward or downward. If the price of Item A changes upward once and downward once, the price will be contained within a reasonable range. If the price of Item B goes upward only for a long time and downward only for a long time, the price change can kill failing investors. Therefore, volatility alone cannot tell the difference between Item A and Item B. Bitcoin has been like Item B, as shown by Figure 2 (an image from Google search) below:

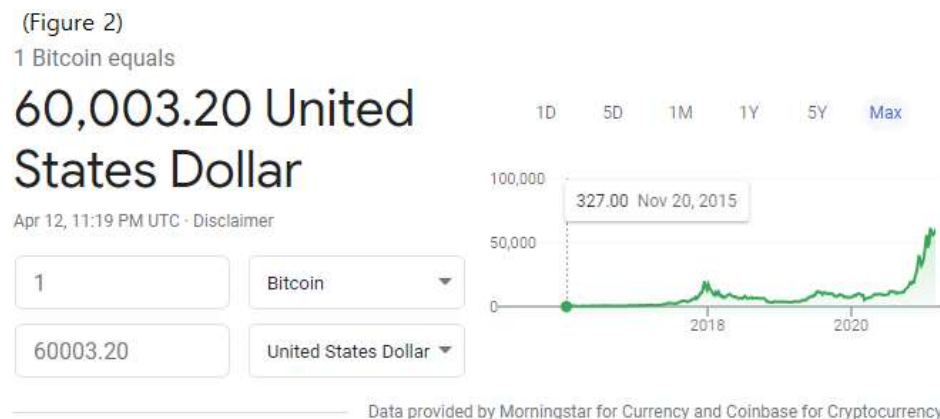


Figure 2 shows the real price changes of bitcoin. Figure 1 misleads us with something like “Idols of the marketplace” explained at Link 18 hereunder:

Link 18: https://en.wikipedia.org/wiki/Idola_fori

The word “volatility” used in Link 17 above is an investment jargon, meaning differently than in our daily life. Figure 1 thickens the fog of confusion, without which bitcoin cannot survive.

Bitcoin’s price is unpredictable, because nobody knows when and in which manner the most important fact about it will be revealed to ordinary investors -- the fact that every fiat money does have intrinsic value, goodness of which depending on creditworthiness of the issuer, while bitcoin has no intrinsic value of whatsoever kind.