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Public Releases

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Sell-off By The Numbers

Yan Liberman, CFA, CAIA · Tuesday, January 12th, 2021

Key Takeaways

- Bitcoin experienced its worst one-day % decline since March 12th last year. Historically, similar sell-offs have proven to be attractive entry points with bitcoin averaging a **~28% return in the 14 days following a one-day decline of 15% or more since 2013; BTC was positive in ~72% of prior instances over the same period.**
- Surprisingly, **supply on exchanges declined from 2.418m to 2.344m**, with Coinbase accounting for 80% of those outflows. Typically you see net inflows taking place when price starts to pick up as users move bitcoin to exchanges to sell.
- The percent of supply unmoved for at least 1 year reached a peak in September and October (~63%) before beginning its descent in the back half of October as bitcoin's price started to rally. Although the decline in this metric has been consistent, it really **accelerated as Bitcoin began to show strength in mid December, declining by over 2.5% since then.**