

Bitcoin Basis 13 - The Four-Year Cycle

It is often referred to as the 4-year cycle in Bitcoin, linked to the halving of block rewards every 210000 blocks, which is about 4 years. This halving is programmed into Bitcoin's source code and results in the halving of the reward miners receive when they generate a block.

This started at 50 bitcoin, falling to 25 and so on, halving every 4 years.

In mid 2024, this will drop to 3.125 Bitcoin.

The halving could affect the Bitcoin market by reducing the supply of new Bitcoins. Miners need to work more efficiently and could start prioritizing transactions with higher transaction fees in order to stay profitable.

The 4-year cycle has been consistent in the past, but we have to account for unpredictable changes and external factors that can affect the fiat price of Bitcoin. If they like to measure it that way.

Those who kept Bitcoin for 4 years or 210000 blocks had a profit in fiat. If they like to measure it this way.

The total number of profit days is around 87%. The halving is considered a major event highlighting Bitcoin's scarcity and long-term value.