



Prediction
Accuracy:
80%
Correct

REVISITING OUR PREDICTIONS FROM **OUTLOOK 2024**

In the previous year's Outlook, the research team at Bitcoin Suisse dusted off their crystal ball to provide a glimpse into 2024. With an event rich year heading to its culmination, we are ready to grade our homework. Thus, we revisit our predictions to explore which ones proved prescient and which ones shattered, no cherry picking, no sugarcoating.

For reference, find our Outlook 2024 report with comprehensive analysis here:
<https://www.bitcoinsuisse.com/research/outlook/2024>

The crypto industry continues to evolve at breakneck speed, and in our view, understanding where our framework hit and where it fell short can provide crucial insights and valuable lessons for the road ahead. And for our 2025 Outlook? We remain committed to bold, yet measured calls, even if we sometimes miss the mark.

With Swiss precision,
Bitcoin Suisse Research



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PREDICTIONS 2024 REVISITED



1. Monetary and liquidity tightness will persist until mid-2024, favoring low-risk assets and suppressing risk assets, but economic weakness could spark an easing cycle, setting the stage for a swift crypto market recovery post-recession volatility.

While monetary conditions started easing gradually with a 50bps rate cut in early autumn and global net liquidity increased, it remained far from previous highs and grew at a slow rate year over year; easing conditions emerged in mid-2024, but economic weakness did not materialize significantly, with crypto markets performing well overall and downturns being short-lived.



2. Current labor market strength is delaying a recession, but the trend of a weakening labor market suggests an economic downturn by early 2024.

The labor market continues to weaken, with unemployment over 4%, but not enough to trigger a major downturn yet. Rising unemployment reflects cooling inflation, highlighting how the FED's dual mandate achieved lower inflation at the cost of employment stability.



3. Yield curve inversion signals inevitable economic turmoil, with risk assets rallying into a potential recession; as the yield curve un-inverts, crypto may face a brief downturn before leading the recovery.

Risk assets and crypto rallied throughout the year, led by BTC. The yield curve (10Y-2Y) un-inverted in early August during a brief, yet steep downturn, which quickly recovered and became a buying opportunity, though short-term yield curve (10Y-3M) segments remain inverted, leaving potential for further turmoil.



4. With economic turmoil giving way to easing conditions, 2024 will be a buying and HODLing year for crypto assets.

Despite inflation stabilizing only by mid-2024 and ongoing economic uncertainties, 2024 was indeed a year to buy and HODL BTC, which performed well and consolidated remarkably stable around former cycle all-time high prices, a first for any previous cycle.



5. Sticks out a mile: The SEC greenlights a U.S. Spot Bitcoin ETF in 2024.

2024 set off with fireworks when the SEC approved BTC spot ETFs in January. Within a few months, they attracted >\$24B in net flows YTD (gold: \$1.7B), crowning it the most successful ETF launch ever. >5% of the total BTC supply amounting to \$70B now resides in U.S. spot ETFs. Remarkably, U.S. gold ETFs captured \$130B with a 20-year head start - that's something to chew on.





PREDICTIONS 2024 REVISITED



6. The era of institutional adoption is upon us.

In 2024, institutional embracement was unprecedented. More than 60% of hedge funds are now exposed to crypto assets and 13 out of 22 major global financial institutions are looking into tokenization. BTC ETFs are adopted faster than any other ETF in history, BTC ETF options got approved, BlackRock aims to have ETF share classes for their mutual funds, Swift launched a pilot for tokenized fund settlement and the list goes on and on.

ACCURACY

7. Crypto assets enter traditional portfolios.

ETF flows are a strong indicator of institutional allocations. With the approvals, BTC and ETH earned integral roles in the long-term construction of balanced portfolios. As such, investors started to incorporate crypto assets into diversified portfolios to enhance risk adjusted returns and gain diversification benefits. For instance, Fidelity now offers multi-asset strategies with their all-in-one ETFs for various risk profiles.

ACCURACY

8. BTC and ETH become reserve assets for companies and governments alike while a next sovereign will make Bitcoin legal tender.

Governments, public companies and private companies increased their relative BTC exposure by 17.3% YTD, mostly on the back of public companies which added 124'700 BTC to their balance sheets. A republican sweep in the U.S. elections could open doors and further accelerate a potential strategic reserve asset status. BTC did not achieve legal tender status outside of El Salvador yet, but the likelihood substantially increased.

ACCURACY

9. 2024 will be a bullish year, with markets transitioning into a bull phase, while recession risks make BTC the safest bet for upside potential based on its current low-risk, long-term accumulation prices.

2024 has been a very bullish year, with recession risks mitigated somewhat compared to one year ago, as conditions eased. BTC proved to be the best upside bet, and its prices at the time of prediction (~\$35'000) were indeed low-risk, long-term accumulation opportunities.

ACCURACY

10. Liquid staking will record the highest growth rate in DeFi sparked by institutional staking and restaking.

The restaking sector saw a substantial increase in adoption and displayed the highest growth rate in TVL with 1'100%, while liquid staking gained 36%. Combined, they grew by 57% with bridges (95%) and lending (59%) outpacing them based on increased ecosystem fragmentation and a resurgence of loan appetite, respectively.

ACCURACY



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11. Rollups will become the primary liquidity hubs supercharged by data availability solutions and EIP4844.

EIP4844 deemed a broad success and flushed rollup transaction costs into sub-cent territory. This sparked major user migration and activity resulting in an increase of 59% in TVL YTD. Alongside, not only interoperability improved but EIP4844 also induced substantial progress on the DA front with players like Celestia, EigenDA or Avail.

ACCURACY

12. Functionality will enter Bitcoin: a first glimpse into a sustainable security model.

Discussions around OP_CAT gained momentum while a plethora of new projects flagged commitment to build within Bitcoin's ecosystem, among them Babylon, Bitcoin OS, Citrea, Stacks or Starkware. Its economic model also improved catalyzed by Runes and Ordinals as annualized YTD fees are up 28% compared to 2023.

ACCURACY

13. Strong early stage, strong late stage.

We saw a mixed picture in performance of the outlined crypto assets mostly because the cycle dynamics did not transition into the notorious altseason yet. Solana and Bittensor however managed to extend their 2023 gains and outperform BTC while others such as Kaspa, Thorchain, Render or Stacks booked modest gains.

ACCURACY

14. Bitcoin will lead the crypto market in 2024, outpacing Ethereum and altcoins, while Ethereum outperforms other altcoins as the crypto market cap dips early but targets \$5T by year-end.

BTC dominance rose above 60%, outperforming the market as predicted. ETH underperformed BTC and even lagged altcoins unexpectedly. While the crypto market cap didn't dip early in 2024, it fell post-spring rally while BTC continued steady, following its strong initial performance post ETF launch.

ACCURACY

15. Bitcoin's floor price is projected to be in early 2024, with a rally to new all-time highs towards year end, and a cycle peak of \$180'000 to \$200'000 around mid-2025.

BTC rallied significantly from its year-start price and reached nominal all-time highs in early 2024. Adjusted for inflation, BTC hasn't set a new ATH, currently trading 12% below its 2021 peak at around \$69k.

ACCURACY

16. Bitcoin will continue to outperform any other asset class and print a new all-time high in late 2024.

Despite various macroeconomic and geopolitical headwinds, Bitcoin outperformed the entire roster of major asset classes, mostly by substantial margins. On the back of strong adoption metrics, institutional engagement, and technical catalysts, it managed to gain >70% YTD, reinforcing its role as a portfolio diversifier.

ACCURACY



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17. Ethereum is projected to hit its cycle lows of \$1'000 to \$1'200 in early 2024, rallying to nearly \$4'500 by year-end, with peak valuations between \$10'000 and \$13'000 expected in early to mid-2025.

ACCURACY

ETH rallied strongly alongside BTC's ETF-driven bull run until spring but declined more than 40% since, returning to its year-start price. It never dropped to the projected lows of \$1,000 to \$1,200, with the year's lowest price at \$2,050. We missed the prediction but hit the trend.

18. The non consensus setup: ETH will be the fastest horse among institutionally available digital assets.

ACCURACY

Our call for an ETH ETF approval was among the bolder ones and caught many by surprise. In a major turn of events, ETH got the SEC's blessing suggesting an implicit acknowledgment of its commodity characteristics. So far, ETH becoming the only crypto asset with an institutional gateway aside from BTC has neither translated into substantial ETF inflows nor outsized returns. Michigan's state pension fund overallocating to ETH recently might however be an early signal of a broader trend.

19. Mainstream applications bring 50 million new on-chain users.

ACCURACY

Sectors such as gaming (up 400% to 37M UAW=Unique Active Wallets), social (up 160% to 11.4M UAW) or collectibles (up 560% to 25.8M UAW) received a tremendous amount of approval. Polymarket crossed the chasm, becoming the largest prediction market on a global scale. Decentralized exchanges gained substantial market share with back-to-back all-time highs in October and November (up 640% to 38.4M UAW).

20. Stablecoins bottomed implying that liquidity is coming back.

ACCURACY

Stablecoin supply broke a new ATH, now ranging above \$173B, equivalent to 0.84% of M2 money supply. The on-chain value of tokenized dollars increased by 32.5% YTD fueled by the easing cycle onset and fiscal stimuli. Stablecoins became a major source of demand for U.S. debt, amplified the dollar supremacy and are increasingly adopted in regions of high monetary debasement.

Content and data cutoff: CW44

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Bitcoin Suisse 2024.



Mere predictive accuracy isn't the full story. The 2024 Outlook delivered actionable intelligence unlocking alpha across sectors. Internalizing our calls resulted in a clear edge and enabled capturing alpha ahead of consensus.

Do not miss this year's Outlook.

Outlook 2025 drops this December.



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