

BITCOIN VS THE MONEY SUPPLY

The test that ends the money-printer myth. Does liquidity really drive Bitcoin's price? Built from 15 years of data. No hype, just the receipts.

FREE GUIDE

BITCOIN vs THE MONEY SUPPLY

US M2 keeps hitting records. Bitcoin rolled over anyway.



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THE MOST COMFORTING **STORY** IN CRYPTO

"Bitcoin is just a bet on money printing. They will always print, so the chart only goes one way."

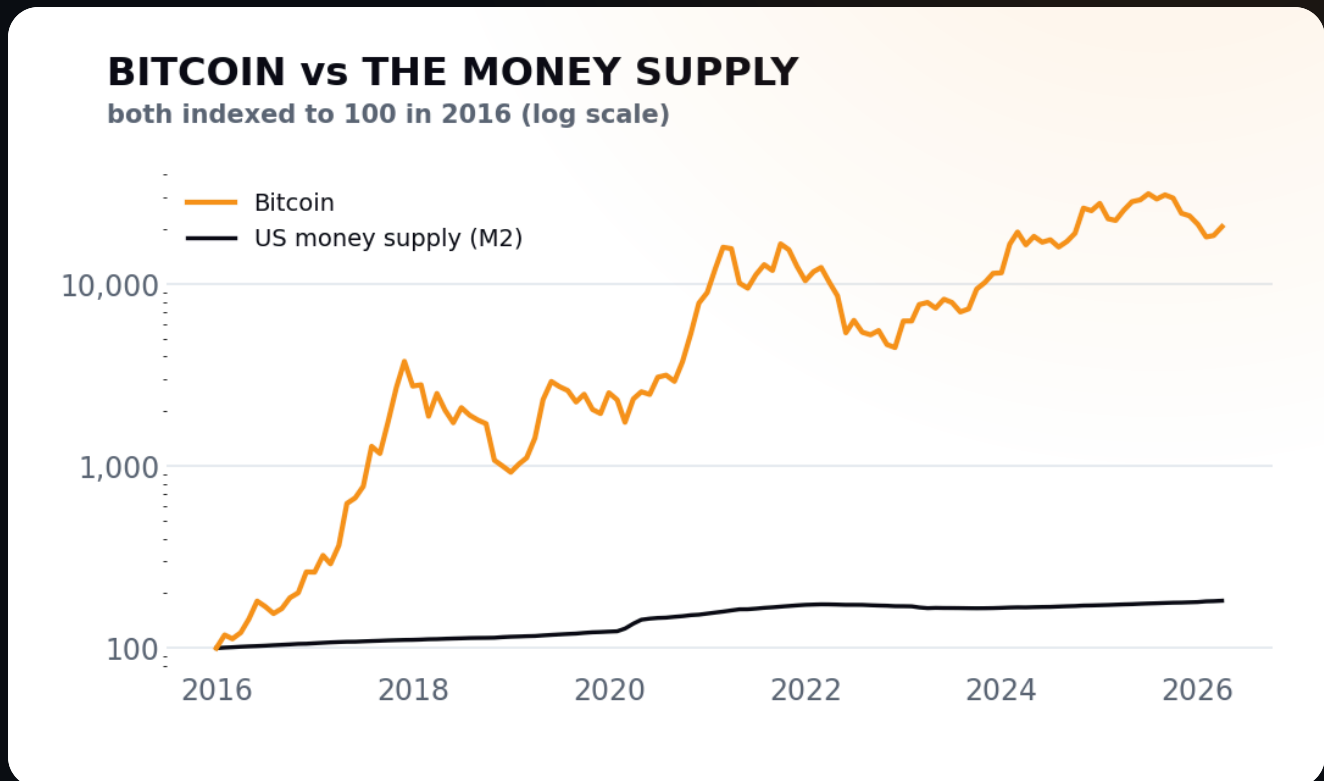
It is the most repeated theory in the space, and it is comforting because it removes all the hard parts. No timing, no risk, just patience while the printers run.

It feels true for one reason: almost everyone anchors to a single window. **2020 into 2021**, when stimulus checks went out and Bitcoin went vertical at the same time. That really happened.

But one coincidence is not a law. The honest test is whether the link holds across **all** of history, not just the part that fits the story. So I ran it.

TEST 1: THE SIZE MISMATCH

Over the last decade the money supply grew about 77%. Bitcoin grew about 11,467%.



+77%

US money supply (M2),
past decade

+11,467%

Bitcoin, same decade

~149x

Bitcoin moved more
than the money supply

If printing were the engine, those two numbers would not be roughly 149 times apart. Liquidity is a slow, gentle slope. Bitcoin swings wildly around it. The fuel is not the same size as the explosion.

TEST 2: DO THEY MOVE TOGETHER?

Correlation of Bitcoin's yearly return to the money supply's yearly growth: about 0.04.

On a scale where +1 means they move in lockstep and 0 means no relationship at all, **0.04 is basically zero**. Year to year, how fast the money supply grows tells you almost nothing about what Bitcoin does.

That is the quiet killer of the printer theory. You can always find one stretch where two rising lines look connected. But measured across the whole record, the connection mostly vanishes.

The takeaway: the money supply is a real long-run tailwind, the tide that slowly lifts most assets. It is not a timing tool, and it is not the steering wheel.

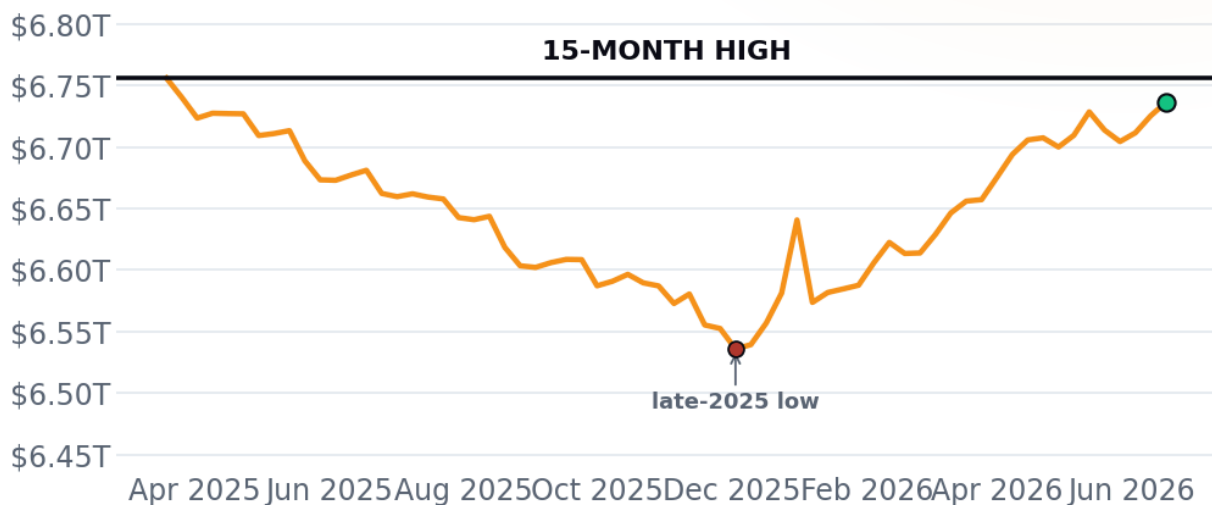
THE LIVE STRESS TEST

Right now the printer theory is failing in real time.

The money supply is at a record high, a new all-time high, near **\$22.8 trillion**. The Fed has even turned its balance sheet back up, to its highest in about 15 months.

THE FED BALANCE SHEET TURNED BACK UP

total assets, back to a 15-month high



By the printer logic, Bitcoin should be flying. Instead it is deep in a drawdown. Liquidity is rising and Bitcoin is falling, at the same time.

Honest context: the Fed's balance sheet is still about 25% below its 2022 peak of \$9.0T. Liquidity is turning supportive again, but it is not exploding, and either way Bitcoin is not following it.

SO WHAT ACTUALLY DRIVES IT?

If not the printer, then what? Bitcoin's own cycle.

- 1 The four-year rhythm.** Bitcoin's supply growth gets cut in half roughly every four years. Its biggest booms and busts have tracked that schedule far more closely than they track the money supply.
- 2 Its own long-term trend.** Over 15 years Bitcoin's price has hugged a steady long-run growth path on a log chart, with the cycle swinging above and below it. Liquidity is part of the backdrop, not the clock.
- 3 Use liquidity correctly.** Treat it as a slow tailwind that helps over years, not a buy signal that fires when M2 ticks up. When someone shows you the money-supply chart and says "this is why Bitcoin moons next," you now know the honest answer.

This is the historical map. For the live read, where Bitcoin actually sits in its cycle, that is what I publish every day. Come find me.

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