

MARKET COMMENTARY – JUNE 1, 2021

Forget Bitcoin!

Hopefully, that little headline grabbed your attention.

But we must admit that the controversial proclamation above may be misleading. In this month's commentary, we had intended to diminish the importance of Bitcoin itself and of the one thousand other so-called cryptocurrencies. We were going to say something along the lines that these coins are not currency at all. Currencies are used in exchange. On the other hand, Bitcoin and the like are held, generally not used for buying and selling. Though imperfect, currencies are stores of value. Conversely, Bitcoin and its peers rise and fall in value by 50% in a week.

We were also going to talk about how blockchain is what matters. Blockchain is the system that lies beneath all cryptocurrencies. It is an open source, cryptographic code that operates on a decentralized computer network. Think of it as a public record-keeping system that is not stored in the town hall or on a bank computer. It is not stored somewhere. It is stored everywhere.

The idea of blockchain computing is gaining steam in governments and companies the world over. It has many potential uses well beyond Bitcoin. Blockchain might be used to seamlessly, securely execute online contracts. It could be used in supply chain management. It most certainly will be utilized in financial services. Blockchain is where it's at! Not Bitcoin. An investment in Bitcoin is not an investment in the blockchain technology or any future uses of blockchain.

So, how should we participate in what might be a truly disruptive technology? It turns out that the answer is fairly boring. And that is why we're not going to talk too much about how JP Morgan is investing heavily in utilizing blockchain throughout their payments systems technology. We aren't going to belabor the idea that Visa is doing the same thing. Or, how PayPal is investigating blockchain. Or, how a hundred other giant corporations are experimenting with blockchain. Sure, Elon Musk and Tesla get a lot of press for accepting Bitcoin one day, not accepting it the next, and then accepting it again. But such attention only serves to pull our focus from what matters – the potential for blockchain to make all our online payments and interactions with companies, governments, and one another more secure.

We were going to say all those things. But frankly, we need a break from all the non-stop disruption of the past year. In this world of quickening changes, we'd like to be reminded there are immutable things. And so, as we were perusing our antique, hardbacked copy of Bartlett's Familiar Quotations, we found some timeless bits of wisdom from a few thousand years ago. What follows is a mere sample of what our ancient forebears had tucked away in their sagacious minds.

It is not the man who has too little, but the man who craves more, that is poor. ~Seneca

A great fortune is a great slavery. ~Seneca

Let your speech be better than silence. Or be silent. ~Dionysius the Elder

He who covets what belongs to another deservedly loses his own. ~Phaedrus

Nothing is more confident than a bad poet. ~Martial (We would replace poet with investor)

Toil is the sire of fame. ~Euripedes

Remember this – that very little is needed to make a happy life. ~Marcus Aurelius

Ignorance plays the chief part among men, and the multitude of words. ~Diogenes

No one can harm the man who does himself no wrong. ~St. Chrysostom

Of all the animals, the boy is the most unmanageable. ~Plato (my mother would agree)

Stirling Bridge Wealth Partners, LLC is fortunate to count many of you as clients. In the good times and bad, we remain committed to providing customized investment solutions and robust financial planning wrapped in a package of exceptional service. We thank each of you for your dedication to us and for your trust.

Sincerely

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