THE BITCOIN LAYER

Bitcoin & Macro
Glossary

Realized Price: The average on-chain purchase price (cost basis) of the bitcoin network. This is a helpful tool to measure how much, in dollar terms, is invested in bitcoin.

MVRV (Market-Value-to-Realized-Value Ratio): A cyclical oscillator for bitcoin, created by dividing the spot bitcoin price by the realized price. This is a way to measure bitcoin's relative valuation.

200-Week Moving Average: The average price of an asset over the previous 200 trading weeks. The 200wk MA is one of several moving averages used by traders to identify trends.

Electricity Hash Value: The relative production cost of 1 bitcoin, derived by multiplying three variables: 1) terahashes per bitcoin, 2) kilowatt-hours per terahash, and 3) dollars per kilowatt-hour. EHV measures the approximate cost for a bitcoin miner, incorporating the latest bitcoin network difficulty, the latest mining equipment, and average electricity costs.

TBL Bitcoin Fair Value Price: An average of realized price, 200wk MA, and EHV, creating a cross-discipline fair valuation for bitcoin's price.

TBL Fair Value Ratio: Similar to MVRV, an oscillator to measure bitcoin's spot price relative to the TBL Fair Value metric.

2-Year US Treasury Yield (2s): The yield on 2-year US Treasury government debt. Acts as a proxy for forward Federal Reserve interest rate expectations (Fed Funds).

10-Year US Treasury Yield (10s): The yield on 10-year US Treasury government debt. Acts as a proxy for forward growth and inflation expectations.

US Treasury Yield Curve: Refers to all Treasury securities issued across all tenors maturities, from one week to 30 years. The shape of the yield curve is analyzed and actively traded by global macro investors.

US Treasury Yield Curve, 2s10s: The difference in yield between 2s and 10s. Generally, this curve is positive due to liquidity premium, in which it is more expensive to borrow for longer periods of time. Prior to recessions, yield curves tend to invert their slope.

2s/FFs Spread: The difference between the yield on 2s and the Federal Funds rate. Rates lead the Fed; historically, the yield on 2s moves prior to the Fed hiking, pausing, and/or cutting. We use this to gauge changes in the direction of monetary policy.