

WILL BITCOIN BE THE CURRENCY OF THE FUTURE?



One year ago, the most popular of the cryptocurrencies, Bitcoin, was trading at around \$1100. Today it's valued at ten times that amount. However, its current \$11,000 price is nearly 50% lower than its peak just two months ago.

With this kind of volatility it's no wonder that some crypto currency experts are predicting Bitcoin to top \$25,000 this year¹ while others are forecasting it to drop back below \$1000.²

There's no doubt that the concept of a currency backed by a distributed blockchain technology rather than a central bank has many brilliant people claiming it will be the future of money.

While “the future of money” is a very bold statement, some firmly believe it's well within the realm of possibility. Or, in its current form, is Bitcoin just another clever solution looking for a problem to solve?

What Is A Cryptocurrency?

The blockchain technology behind Bitcoin and other cryptocurrencies is an open, distributed ledger that can record transactions between two parties.³ While the record of the transaction is public, the transaction's details and security are protected from modification using complex cryptography. Each completed record is called a block, which is permanently added to the string of other completed transactions, forming a blockchain.

While this type of banking sounds more open and democratic (for example, no central bank can manipulate its value), in its current form it has some major drawbacks keeping it from becoming widely adopted.

Five Major Problems With Bitcoin

Writing for Forbes, data analyst Bernard Morr has identified five of the biggest challenges Bitcoin must overcome.⁴

1. Energy cost. Blockchain technology requires huge amounts of computing power, and therefore electricity, to maintain its network. By some estimates, the amount of energy used last year to "mine" Bitcoin was greater than the amount used by 159 countries. Electronically generating Bitcoin units requires significant computing power.

2. Lack of regulation creates risk. Bitcoin exchanges have been hacked or threatened to be shut down by governments. Some have compared this to the risks faced by bank depositors in medieval times.

3. It's too complex for regular people. Tech pundits talk about replacing the financial middleman with Bitcoin. However, for most people, not only do they not understand cryptocurrency, they are satisfied with how their banks are handling their transactions for them at a very low cost.

4. Blockchain can be slow. Unlike debit cards or cash, Bitcoin transactions can take hours to finalize. Not a great way to pay for your cup of coffee.

5. The established system doesn't want it. Rather than making the current banking system easier or more profitable, Bitcoin is designed to replace it. So it's in the existing financial system's interest to see it fail.

While trading in currencies is a form of speculation not recommended for the long-term investor, investing in Bitcoin presents itself as an especially risky bet. Cryptocurrencies will continue to grab headlines and be favored by the tech world. But the people who put money into them are doing little better than gambling.

Bitcoin's historical ability to generate casino-like returns and losses is a stark reminder that it is inherently speculative and risky. Prudent investors have a clear understanding of the difference between their "Vegas Money" and their "Serious Money." You can be sure the stories of near instant riches from Bitcoin speculators will eclipse the untold thousands of stories of devastating losses.

Disciplined investing seeks to put probability on your side and avoid speculation. In order to be reliable, your investment strategy shouldn't depend on speculative bets in order for it to be successful. For an investing plan that is best suited to helping you to reach your long-term retirement goals, talk to us.

Have a great weekend!

Golf Tip of the Week



Throwing Your Next Shot

The goal of the golf swing is to send the ball further down the green—where you want it to go. The speed of the club at impact is arguably the single most important factor in accomplishing that. So, if you can find a way to improve your speed while at the same time maintaining accuracy, you're on your way to the big time.

One PGA Tour player, Kevin Streelman, says the key is in the feel of the swing. The swing should feel like a slinging sidearm throw, not the smash of an axe going into a tree, he says.

Here are some “feeling” tips to put the punch back in your swing:

- Imagine you're performing an athletic throw.
- Do this with your arms in front of your chest during the downswing.
- In that position, you can compress the ball as you rotate out of the way.
- Shorten the space between your right elbow and your right hip.
- Keep your elbow tucked in close.

The goal is to get the right elbow in the right position so that your upper body turns aggressively enough to make it feel like you're throwing.

Tip adapted from Golf Digest.ⁱ

Recipe of the Week



Sausage and White Bean Bake

Serves 4

Ingredients:

8 small sweet Italian sausages, about 1½ pounds
1½ cup grape or cherry tomatoes
2 cloves garlic
2 tablespoons fresh oregano leaves
2 15-ounce cans cannellini beans
½ cup dry white wine
½ cup low-sodium chicken broth
Salt
Black pepper

Directions:

1. Preheat oven to 400°F.
2. Heat a large, deep oven-safe skillet over medium heat.
3. Mix in 1 tablespoon olive oil and 8 small sweet Italian sausages.
4. Completely brown the sausages (8-10 minutes) and then take them out of the skillet.
5. Slice the tomatoes in halves.
6. Cut up garlic and oregano leaves.
7. Rinse the cannellini beans.
8. Put the sliced garlic and oregano mix in the skillet and stir for about 1 minute.
9. Add the beans and the dry white wine. Simmer for about a minute.
10. Put in the low-sodium chicken broth, the tomatoes, and a ¼ teaspoon each of salt and black pepper.
11. Add the sausages into the mix and transfer the skillet to the oven.
12. Cook until the sausages are done completely (8-10 minutes).

Recipe adapted from Good Housekeeping.ⁱⁱ

Health Tip of the Week



The Myths of Insomnia

“You snooze, you lose” may be good advice for the inattentive, the procrastinator, and the indecisive among us. But for those who have trouble getting a good night’s sleep, or staying asleep, some sound snoozing would be absolutely dreamy.

For those who struggle with occasional bouts of insomnia, it may not be what you don’t know about sleep that’s keeping you awake, but what you do know that’s wrong. Here are some common myths—and the facts—about insomnia:

- You might think that cocktail before bed will help you sleep. Wrong. Alcohol might initially make you drowsy, but it often leads to restless sleep and waking early.
- It’s all in your head. That’s partly true. Stress can cause insomnia. But poor sleep hygiene, illness, chronic pain, restless leg syndrome, sleep apnea, or other physical ailments can keep you wide awake.
- Exercise is good for promoting sleep. Sort of. Regular exercise as part of a healthy lifestyle is definitely good. But a workout too close to bedtime is a big red flag; strenuous exercise raises body temperature. The rule: Don’t work out 2-3 hours before going to bed.
- Watching TV or reading on your computer before bed? Not so good. The light and the noise reduce brain melatonin levels. You want your melatonin levels high to help induce sleep. If you need some stimuli, try listening to relaxing music.
- Modern sleeping medications aren’t like those of earlier times, so they’re generally safe and effective, right? You might want to rethink that one. All medications have potential side effects and risks. Dependency is a big one. If you’re having difficulty sleeping and you’re interested in temporarily taking an over-the-counter sleep aid, consult with your doctor. Sleep aids may relieve symptoms of insomnia, but they do not provide a cure.

Implementing a few lifestyle habits into your daily schedule can make bedtime refreshing and relaxing.

Tip adapted from WebMD.ⁱⁱⁱ

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ⁱ <https://www.golfdigest.com/story/dont-hit-your-next-shot-throw-it>

ⁱⁱ <http://www.goodhousekeeping.com/food-recipes/easy/a46936/sausage-and-white-bean-bake-recipe/>

ⁱⁱⁱ <https://www.webmd.com/sleep-disorders/ss/slideshow-insomnia>