

Bitcoin Miners Hold Off On Selling As Their Reserves Reach 2021 High

A look at 2021 blockchain transactions would show that miners accumulated a high amount of Bitcoin this year. Their reserve is now at the highest it has ever been this year, and it is still growing.

The famous on-chain indicator, Puell Multiple, infers that Bitcoin miners are stalling on selling their mined pools at the current rate. The Puell Multiple is a highly regarded tool that estimates and compares the average profits of mining pools annually.

Barely a few days after reaching a new ATH in November, the price level of bitcoin, as well as some other altcoins, dipped. Currently, the market is still highly volatile, and indications point to more dumps being expected. Could this be the reason why these miners are not willing to sell?

Picture 1 of Bitcoin Miners Hold Off On Selling As Their Reserves Reach 2021 High

Two Important Indicators Are at Work

The Miner reserve and Puell Multiple are two reliable metrics that have been used to establish that miners are accumulating their mined bitcoins.

Miner's Reserve

Miner reserve accurately measures the total bitcoins held in miners' wallets. At the time of writing this down, there was an uptrend in this indicator. This means that more coins are being mined and added to the pool.

In a normal circumstance, there should be a downtrend in the indicator to suggest that miners are selling off or dumping the year's mined Bitcoin.

Puell Multiple

A subscriber on CryptoQuant was the first to deduce and upload that the Puell Multiple values showed no significant change, despite the reserve peaking within the year's first quarter.

Low Puell Multiple values are usually seen during the lowest periods, whereas high values indicate the start of sales when miners begin to exchange their accumulated bitcoins.

These values point out that miners have no incentive to sell at the current price and are willing to wait it out till a higher price level is reached. The availability of tools like Puell Multiple alerts traders of specific points where miners are expected to sell or hold. The indicator's values are calculated by adding two variables to an issued

coin; its daily value ratio and annual moving average. You can buy and sell bitcoins through bitcoin circuit official site

Simply put, the Puell Multiple metrics would provide an accurate comparison between the profit generated by miners last year and this year if all accumulated coins were disposed of.

"No incentive to sell"

Over the past few months, charts have shown the trend in the measurements of these bitcoin indicators.

The value of the miner's reserve right now is at the highest point ever since the start of this year.

On the other hand, the Puell Multiple's values are very low, fluctuating around the 1.1 to 1.2 mark on the chart. This uptrend measure shows that miners hold on to their coins because they do not find the current price level profitable enough to sell. In addition to this, it may also be an indication that Bitcoin is currently undervalued. If this trend remains, it could turn bullish for the coin's price level.

What Does This Mean For The BTC Price And Its Charts?

Today, Bitcoin is about 29% less than its all-time high of \$68,700. In the past week, Bitcoin price charts have merely moved sideways. The price has been in the range of \$48k and \$49k for the last two weeks.

Experts are still not certain about when the price will break out of this close range, nor can they state the direction the price is going to face when it breaks out of this range.

Active Bitcoin Addresses

The volatile bitcoin market has caused various declines and increases in active bitcoin addresses in different months. For instance, in September, there was a decline due to the market crash; in October, the number scaled up. Just when everything was normalizing, another dip sent it all crashing in late November. The numbers are just starting to rise again.

At least one million Bitcoin addresses have been active in the last seven days despite the dominant red trends in the charts.

Conclusion

The year has been a rollercoaster ride for Bitcoin investors. As miners refuse to dump their accumulated bitcoins, investors are using this recent crash as an opportunity to enter the market or increase their holdings.

Other investors will likely take a cue from the miners and hold off on selling their assets till a higher price level is detected.

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