

Bitcoin ETFs now hold nearly 4% of all bitcoin — and they're not slowing down

BlackRock's bitcoin ETF is well on its way to eclipsing MicroStrategy for total bitcoin held

BY DAVID CANELLIS / MARCH 1, 2024 11:51 AM



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Bitcoin has new buyers in the form of some of Wall Street's biggest players, and they're gathering some enormous treasuries.

Bitcoin ETFs in the US are now sitting on almost 4% of all bitcoin in existence.

Spot funds overall held 776,464 BTC (\$47.7 billion) on Friday morning, per [BitMEX Research](#).

There's currently 19.64 million BTC (\$1.21 trillion) in circulation, with an eventual limit of 21 million to be reached over the next century or so.

Read more: [Stop worrying so much about the next Bitcoin halving.](#)

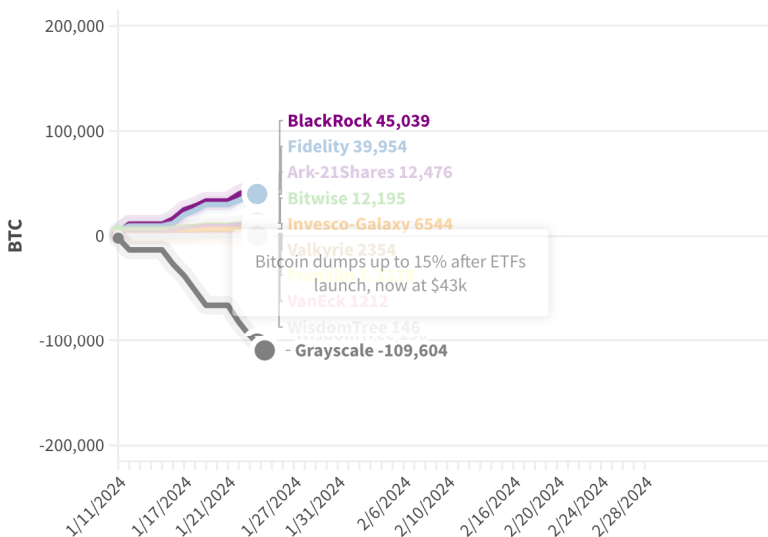
Led by Grayscale's Bitcoin Trust (**GBTC**), the set of 10 physically-backed funds launched on Jan. 11 now boast some of the largest stashes in the space.

GBTC alone held almost 3.2% of all bitcoin on the market just before the ETFs opened trade for the first time, and has been bleeding coins ever since. Its share of bitcoin supply is now 2.2%.

GBTC shareholders previously could not redeem their shares for bitcoin, but all that changed once it converted to an ETF. The fund's high fees compared to its new competitors, however, has contributed to capital flight.

Bitcoin ETF net flows full history

Replay



Data source: BitMEX Research

Watch bitcoin ETFs stack their sats

The other ETFs have attracted enough fresh capital to make up the difference and then some.

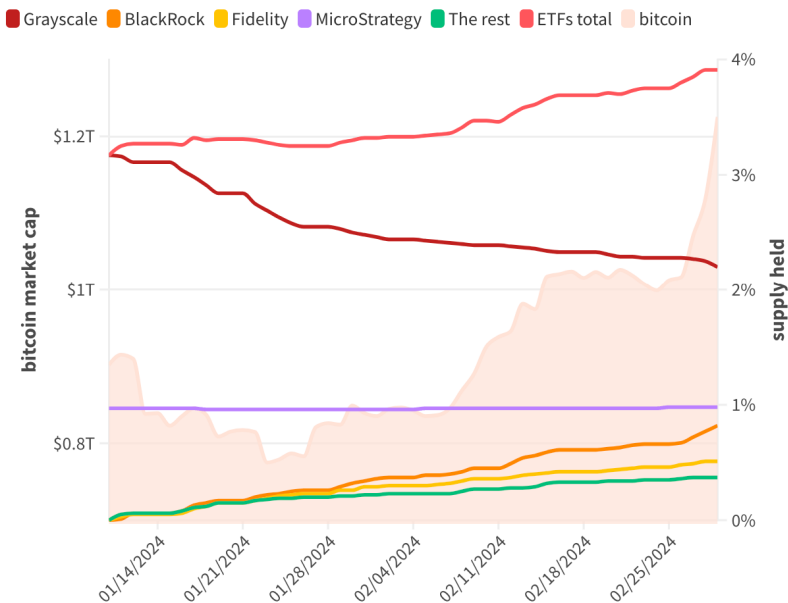
Following bitcoin ETFs? Stay up to date with our [bitcoin ETF tracker](#).

[MicroStrategy](#), the largest corporate treasury in the world, has so far [acquired](#) 0.98% of the supply (193,000 BTC worth \$11.88 billion).

The publicly-listed data intelligence firm, founded by converted bitcoin bull Michael Saylor, is ahead 95% on its bitcoin buys to date.

MicroStrategy's share price has been [closely tied to bitcoin's price performance](#) since it bought its first bitcoin in August 2020, when BTC was worth about \$11,000. Bitcoin is up about 450% since then.

Bitcoin spot ETFs and their share of bitcoin



Data source: BitMEX Research, BitcoinTreasuries.net

Grayscale's holdings are trending down but the other ETFs are picking up its slack

The US government is another major holder, believed to be controlling up to 215,000 BTC (\$13.23 billion), or 1.1% of bitcoin's circulating supply, per BitcoinTreasuries. Authorities seized the coins as part of a variety of criminal cases, [including ones tied to Silk Road](#) and the Bitfinex hack from 2016.

As for the rest, [about](#) 10% is on crypto exchanges, slightly more than what's [sitting](#) with bitcoin miners.

Addresses tied to Bitcoin creator Satoshi Nakamoto — still absent — contain [between](#) 600,000 BTC to 1.1 million BTC, the equivalent of 3% to 5.6% of the circulating supply.

Read more: [Satoshi warned against labeling bitcoin as an 'investment'](#)

Another 3.7 million BTC could be lost forever, according to a Chainalysis [study](#) from 2020, which means 19% of the supply may never move again.

In any case, spot ETF shareholders, not counting GBTC, are well up on their collective investments so far, thanks to bitcoin's healthy rally from [under \\$47,000 to more than \\$61,000](#).

Excluding Grayscale's fund, \$15.9 billion has [flowed into US-listed spot ETFs](#), which used that to buy 336,076 BTC (\$20.62 billion). That converts to unrealized gains of over \$4.7 billion, or 30%.
