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Elon Musk Is Not the Person You Should Look to for Crypto Guidance

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Tesla CEO Elon Musk selling or buying Bitcoin does not mean much, because his move won't change BTC's fundamentals.

Does Crypto Still Care About Elon Musk?

Tesla's initial purchase of BTC contributed to a two-year price spike. But markets wasn't worried after the car company sold most of its bitcoin.

In earnings disclosures Thursday, the electric carmaker said it had [sold 75% of its Bitcoin holdings](#), which was worth about \$936 million, according to its Q2 earnings report. The company appears to have made a small profit on the BTC, which it first announced purchasing in early 2021.

Related: [Why Did Elon Musk's Tesla Sell 75% Bitcoin?](#)

[Elon Musk's Tesla Still Has \\$222M of Digital Assets After Selling \\$936M in Bitcoin](#)

Tesla's initial purchase of \$1.5 billion worth of bitcoin was huge news at the time, and helped drive the price of BTC up more than 60% in the month following the announcement. But news that Tesla was liquidating its tokens has not had a corresponding negative impact on [BTC](#) price or, seemingly on market sentiment. In deed, bitcoin has risen slightly on the day since Tesla disclosed the sales.

One might attribute that to Tesla's framing of the BTC sale. During its recent quarterly earnings call, Musk emphasized the sale "should not be taken as some verdict on bitcoin," and was instead mostly a move to free up U.S. dollars ahead of a possible economic downturn.

But as hard as it is for me to admit as a journalist, most people don't read past the headline, and that headline is "Tesla sold its bitcoin." What does it say about BTC, Musk or Tesla that markets have shrugged that off?

Most obviously, Tesla's initial announcement came during a period of growing hype, when a large number of new cryptocurrency speculators were likely easily swayed by the moves of a big-name tech billionaire.

After the deflation of a huge crypto credit bubble and bitcoin's price dropping nearly 60%, remaining holders are more likely to be strongly committed to bitcoin's fundamentals and less concerned with the choices of one rich guy.

It's also true that, despite this year's long drawdown, bitcoin and crypto in general are in a vastly different place than they were 18 months ago. Though two years of crypto hype produced the usual surfeit of scams and garbage, it has also dramatically advanced development, awareness and adoption, including El Salvador's troubled but important bitcoin experiment. And while there are no guarantees, the market now seems to have found at least a temporary bottom, so Tesla's sale announcement is fighting against a nascent bull narrative.

But another major factor is the change in Elon Musk and Tesla's public image in the 18 months since the big bitcoin buy - changes that have been mostly for the worse.

Musk has had a reputation for impulsiveness for years, and a self-destructive streak was clear at least as far back as 2018 - the year he called a rescue diver a "pedo guy" and accepted a big fine from the Securities and Exchange Commission over tweets about taking Tesla private "at \$420 per share."

But back in 2018, Elon was still arguably transitioning from Silicon Valley hero to global figure. Tesla's stock exploded in early 2020, and by January 2021 that rise had made him the wealthiest person in the world, at least on paper.

That has meant Musk's misadventures over the past 18 months have been even more widely scrutinized than his series of tantrums in 2018. The list of public missteps is long, but standouts include allegedly sexually harassing a SpaceX employee and secretly fathering children with an employee (of an entirely different company).

On the crypto front, Musk spent years tweeting about [dogecoin](#) (DOGE), which may have been a troll from the beginning but wound up with a \$285 million lawsuit against him when DOGE predictably crashed this year.

And the cherry on top, of course, has been his bizarrely half-cocked push to buy [Twitter](#) (TWTR), followed by attempts to back out under pathetically thin pretenses.

At the same time, those actually paying attention to Musk's businesses might have noticed Tesla's continued failure to deliver on the promise of "full self-driving," and its delay of the much-hyped Cybertruck, even as legacy automakers muscle in on electric vehicles in a big way. Tesla stock has, like much of the market, given back large portions of its 2020 gains.

All in all, Musk may still retain a bit of a halo in the eyes of Tesla stockholders and "green tech" fans. But to many others, he is nothing more than a clownishly hype-obsessed avatar of capitalist excess, unaccountable to the society that made him rich, and indifferent to the harm he inflicts on the little people beneath his feet.

For crypto experts in particular, Musk's absurd and destructive shilling on dogecoin clearly shows that he either doesn't understand what Bitcoin is, or at best, doesn't care all that much.

[Related: Here's What Elon Musk Gets Wrong about Comparing Dogecoin to Bitcoin](#)

Tesla's bitcoin selloff, with all the caveats about freeing up cash, confirms what some of us knew all along: Elon Musk is not someone you should seek out for cryptocurrency guidance. He's merely a particularly impulsive, loud and unreliable follower.

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