

Picture Bitcoin as a finite resource, much like gold, and the process of creating new bitcoins as the mining activity.

Every four years, there is an event called "halving," where the reward for miners is cut in half. In simple terms, if miners were initially rewarded with 100 bitcoins for solving a complex mathematical problem, after halving, they would receive only 50 bitcoins for the same task.

This deliberate reduction in the rate of new Bitcoin creation is designed to mimic the scarcity and increasing difficulty of extracting precious resources.

It's akin to a company announcing that it will produce fewer units of a highly sought-after product over time.

The anticipation and actual occurrence of Bitcoin halving often influence market dynamics, with historical patterns indicating a potential impact on the value of Bitcoin. The underlying principle is scarcity – the idea that as the reward diminishes, each bitcoin becomes more valuable.

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THANK FOR WATCHING

