

# CRYPTO IN THE TRUMP ERA

What to expect if Trump returns  
to the White House



# Introduction: The Trump Effect on Cryptocurrency

The cryptocurrency market has always been highly sensitive to political events, with major announcements and policy shifts often triggering significant price fluctuations. As former President Donald Trump emerges as a key figure in the 2024 U.S. presidential race, his evolving stance on cryptocurrency is generating considerable interest—and speculation—in the crypto community. This e-book explores what a Trump re-election could mean for the cryptocurrency market, analysing potential benefits, risks, and strategic opportunities.



## Trump's History with Cryptocurrency

Donald Trump's relationship with cryptocurrency has been anything but straightforward. Initially, he was a vocal critic, famously calling Bitcoin "a scam" and expressing concerns about its impact on the U.S. dollar. However, in recent years, Trump has made a dramatic pivot, positioning himself as a pro-crypto candidate. His campaign now accepts cryptocurrency donations, and he has actively engaged with the crypto community, most notably headlining the 2024 Bitcoin Conference in Nashville.



# Bitcoin: The Potential Safe Haven Under Trump

Trump's pledge to make the U.S. the "crypto capital of the planet" and to retain all Bitcoin currently held by the U.S. government could significantly impact Bitcoin's role in the global financial landscape. A "safe haven" asset is typically one that retains or increases in value during times of economic uncertainty, offering investors protection against market volatility or inflation. Historically, gold has been seen as the quintessential safe haven, but under Trump's administration, Bitcoin could potentially take on a similar role.



If Trump's policies lead to economic conditions where inflation rises, Bitcoin might be increasingly viewed as a hedge against that inflation, like gold. Additionally, by holding onto all U.S. government-held Bitcoin, Trump could signal strong governmental backing for Bitcoin, which might encourage broader adoption and stabilize its value. This could help position Bitcoin as a reliable store of value during economic downturns, a key characteristic of safe haven assets.

However, the feasibility of these promises and whether Bitcoin can truly become a digital safe haven under Trump's leadership remains uncertain. Factors such as Bitcoin's inherent volatility, the regulatory environment, and the global perception of Bitcoin's value will play crucial roles in determining its future as a safe haven asset.

# Altcoins and DeFi: Potential Winners

While Bitcoin often dominates the headlines, the potential impact of Trump's return to the White House could be even more transformative for the broader cryptocurrency ecosystem, particularly for altcoins and Decentralized Finance (DeFi) projects. These sectors of the crypto market, which focus on providing innovative financial services outside traditional banking systems, have faced significant regulatory challenges in recent years. However, a Trump administration might usher in a more favourable environment for these projects

At the 2024 Bitcoin Conference in Nashville, Trump made a bold announcement: if re-elected, he would remove SEC chair Gary Gensler from his position. Gensler has been a central figure in enforcing stringent regulations on the crypto industry, particularly targeting DeFi projects and altcoins through aggressive enforcement actions. His departure could signal a major shift in the regulatory landscape, reducing the pressure on these innovative projects and potentially paving the way for greater innovation, investment, and adoption.

## Altcoins

Altcoins, which are cryptocurrencies other than Bitcoin, often focus on specialized use cases, such as enhancing privacy, improving transaction speed, or enabling smart contracts. With a more lenient regulatory environment, these projects could see a significant boost as investors seek opportunities beyond Bitcoin. Altcoins like Ethereum, which underpins many DeFi projects, could particularly benefit from an environment that encourages innovation and reduces the risk of regulatory crackdowns.

## DeFi projects

DeFi projects, which aim to recreate traditional financial services like lending, borrowing, and trading on decentralized platforms, could also experience accelerated growth. The potential rollback of restrictive regulations, spurred by Gensler's removal, could attract more institutional and retail investors to the DeFi space, increasing liquidity and fostering the development of new, innovative financial products. Projects like Uniswap, Aave, and Compound—already leaders in the DeFi space—could see substantial growth under a Trump administration that prioritizes deregulation and innovation.





# Altcoins and DeFi: Potential Winners

However, while the potential for growth is significant, it's important to recognize the associated risks. A rapid reduction in regulatory oversight could lead to increased market volatility, as well as the possibility of scams and fraudulent projects flourishing in a less controlled environment. Therefore, while Trump's policies could create opportunities for altcoins and DeFi, they also necessitate careful risk management and due diligence from investors.

In summary, Trump's approach to cryptocurrency, underscored by his promise to remove Gary Gensler, could create a more fertile ground for altcoins and DeFi projects to thrive, potentially reshaping the landscape of the broader crypto market. This section will explore which projects are best positioned to capitalize on these changes and how investors can strategically navigate this evolving environment.



# Trump's Influence on Market Volatility

Donald Trump is no stranger to causing market volatility. His ability to move markets with a single tweet or public statement has been well-documented, and the cryptocurrency market is particularly susceptible to such influences. With its inherent sensitivity to news and public sentiment, any significant statements or policy shifts from Trump regarding cryptocurrency could lead to substantial price swings.

For instance, Trump's pledge to retain all U.S. government-held Bitcoin could have a dual effect. On one hand, it could be seen as a stabilizing force, signalling strong government support for Bitcoin, which might reduce fears of sudden large-scale sell-offs of seized Bitcoin. This could lead to a more stable price floor for Bitcoin, as investors might feel more secure knowing that the government is holding onto a significant amount of the digital asset.



On the other hand, the lack of clarity on how these government-held assets will be managed could create uncertainty in the market. If there's speculation that the government might eventually sell off these holdings, it could lead to panic selling or speculative buying, depending on the prevailing market sentiment at the time. This uncertainty could further contribute to Bitcoin's already notorious volatility, with prices potentially swinging wildly in response to any new developments.

Moreover, Trump's influence over media narratives cannot be underestimated. His ability to dominate news cycles means that his comments, whether supportive or critical of specific cryptocurrencies, could drive significant speculative behaviour in the market. For example, a favourable statement from Trump could lead to a surge in buying activity, driving up prices rapidly. Conversely, a critical remark could trigger a wave of selling, leading to sharp declines.

# Trump's Influence on Market Volatility

Additionally, the broader economic policies Trump may implement—such as fiscal stimulus, tax cuts, or deregulation—could indirectly influence the cryptocurrency market. For example, policies that lead to higher inflation or a weaker U.S. dollar could make Bitcoin and other cryptocurrencies more attractive as alternative investments, further contributing to market volatility.

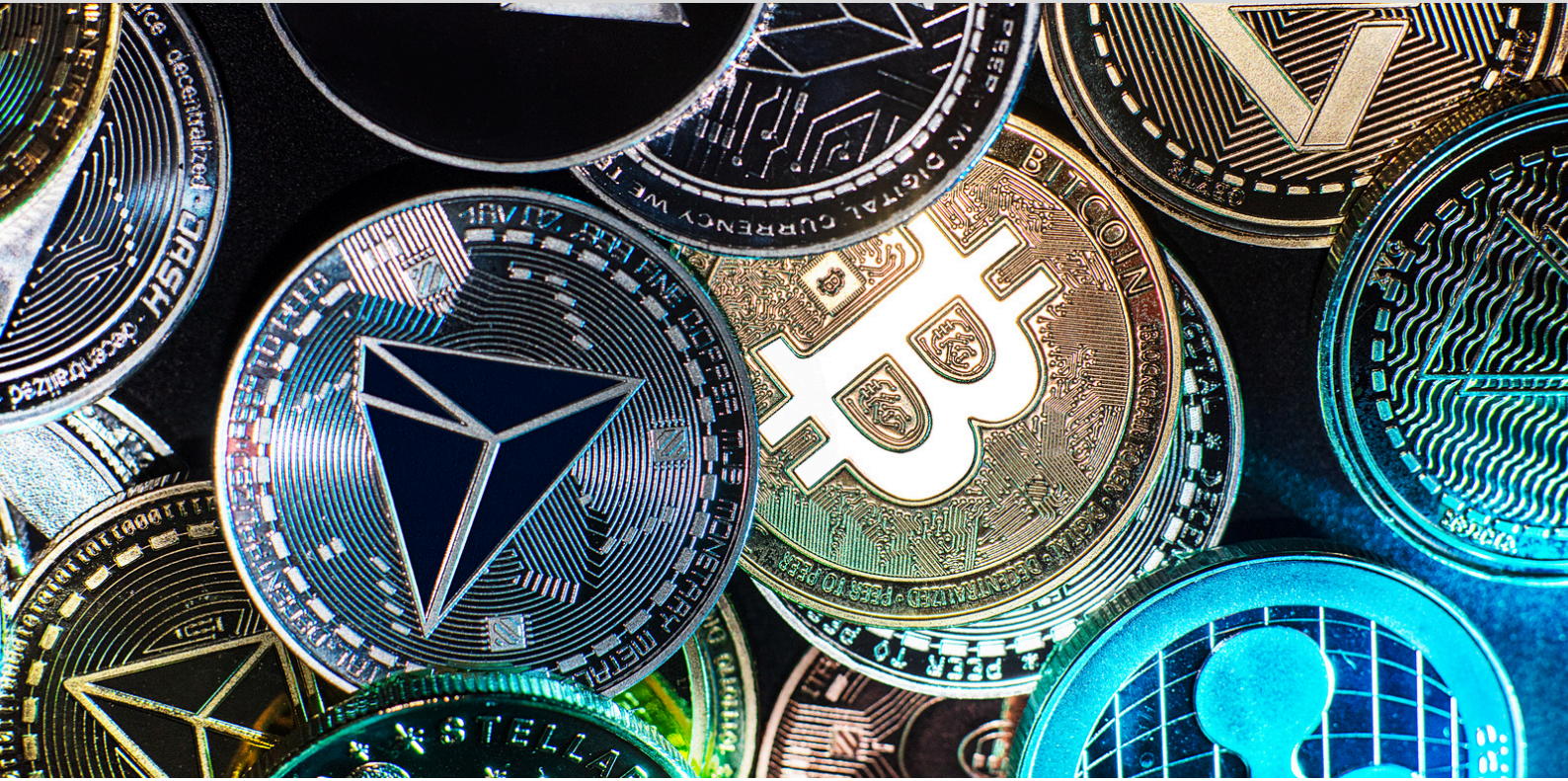
Investors should also consider the potential for increased speculation around Trump-endorsed projects, such as NFTs or meme coins associated with his brand. These assets could experience extreme price movements based purely on Trump's public endorsements or involvement, adding another layer of volatility to the market.

In summary, while Trump's actions could offer opportunities for profit, they also introduce a significant level of unpredictability. Investors need to be prepared for sudden market shifts and should consider implementing risk management strategies to protect their portfolios from potential downside risks.





# Trump's Strategic Moves: NFTs, Meme Coins, and Beyond



Trump's influence on the cryptocurrency market extends beyond Bitcoin, as he has also ventured into areas like NFTs (Non-Fungible Tokens) and meme coins, both of which have experienced significant growth and interest in recent years. His involvement in these sectors signals a broader embrace of digital assets that could drive substantial market activity. Trump's brand, known for its ability to capture public attention, has the potential to fuel speculative bubbles as investors flock to projects associated with his name.

This dynamic could lead to sudden and sharp price increases for assets linked to Trump, driven more by hype and brand association than by fundamental value. Investors may perceive these assets as opportunities for quick gains, which could result in significant market volatility. However, the rapid price surges could also be followed by equally swift declines, especially if the market's excitement wanes or if regulatory scrutiny intensifies.

Trump's entry into the NFT space could further legitimize this emerging market, attracting new participants and increasing mainstream interest. However, the speculative nature of NFTs, combined with Trump's brand power, could also heighten the risk of overvaluation and market bubbles. Similarly, the popularity of meme coins, which often rely on cultural trends and social media buzz, might see exaggerated price movements tied to Trump's endorsements or public statements.



# Preparing a Portfolio: Strategic Positioning

As the 2024 U.S. presidential election approaches, the potential for significant shifts in the cryptocurrency market under a Trump presidency is a critical factor for investors to consider. To navigate these potential changes, it's essential to adopt a strategic approach to portfolio management. Below are actionable ideas that may assist in positioning a portfolio effectively:

## 1) Diversify Holdings

### → Bitcoin as a Core Asset

Given Trump's potential policies favouring Bitcoin, we would consider allocating a significant portion of a portfolio to Bitcoin. This allocation can serve as a foundation for a portfolio, providing stability and exposure to what could become a government-endorsed asset.

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### → Altcoins for growth

Diversify into altcoins like Ethereum or Solana, which could benefit from a more lenient regulatory environment under Trump. These assets might offer higher growth potential but also come with increased risk.

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### → DeFi Projects

Include exposure to DeFi platforms like Uniswap, Aave, or Compound. With the potential for reduced regulatory pressure, these projects might see accelerated growth. Allocating a portion of a portfolio to these high-risk, high-reward assets could pay off.

## 2) Implement Risk Management Strategies

### → Set Stop-Loss Orders

Protecting investments by setting stop-loss orders on crypto holdings is essential. This will automatically sell assets if they fall below a certain price, helping investors limit potential losses.

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### → Consider Stable Coins

Allocating a portion of a portfolio to stablecoins like USDT or USDC could provide a safe harbor during periods of extreme volatility, allowing capital to be preserved while remaining in the crypto market.

# Preparing a Portfolio: Strategic Positioning

## 3) Stay Informed and Adaptive

### → Follow Trump's Policy Announcements

Regularly monitoring news flow related to Trump's policy proposals and public statements on cryptocurrency will be important. His influence on the market is significant, and staying informed will allow investors to make timely adjustments to a portfolio.

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### → Subscribe to Market Analysis Services

Consider subscribing to cryptocurrency market analysis services that provide insights and predictions based on political events. These services can offer valuable data to inform investment decisions.

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### → Engage with the Crypto Community.

Participation in crypto forums, following influential figures on social media, and joining relevant groups to stay updated on the latest market trends and sentiment all contribute to outperforming in the digital asset space.





# Conclusion: The Future of Crypto in the Trump Era

As the world watches the 2024 U.S. presidential election unfold, the potential impact of a Trump re-election on the cryptocurrency market cannot be overstated. While there are many unknowns, one thing is clear: the crypto landscape is likely to experience significant shifts. This e-book has provided a comprehensive overview of what to expect and how to prepare for these changes. As always, staying informed and proactive will be key to navigating the future of crypto in the Trump era.



## About Us: How We Can Help

At Maher and James Capital, we specialize in helping clients navigate the ever-changing crypto landscape. Whether you're looking to invest, diversify, or simply stay informed, our team of experts is here to provide research, education and trading support. Contact us today to learn how we can help you achieve your goals in the crypto market.

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