Why is Bitcoin not a digital gold?

Money is widely known to serve 3 purposes: unit of account, medium of exchange, and store of value. Now, the new popular narrative is that Bitcoin will primarily function as store of value, like a digital gold, replacing the original narrative as medium of exchange, given the ongoing technical and practical challenges there. However, has Bitcoin achieved the function of store of value? Here are 3 reasons why Bitcoin has not demonstrated the function as store of value.

First, unlike gold, Bitcoin is not a collateral currency. Central banks hold gold because it can be a ready source of foreign exchange, especially for USD, during times of crisis. Ideally, foreign central banks would like to establish a swap line agreement with the Federal Reserve to convert their local currency to USD, to be triggered in times of emergency. During such crisis, access to USD funding becomes expensive or impossible, resulting in local banks risking default due to its inability to continue to fund their USD positions. Such swap lines between central banks become an insurance when such crisis happen. However, such swap lines are a risk to the Federal Reserve. If the sovereign defaults, then Federal Reserve is left holding losses from depreciated foreign currency. Therefore, allocation of such swap lines are generally given to sovereigns with good credit standing. An alternative to such swap lines are gold. Gold can also serve as a collateral to access USD during such crisis. That's why gold has value because of its repeated historical pattern acting as insurance to access liquidity during times of extreme crisis. As of now, Bitcoin has yet to demonstrate the role as a collateral currency, let alone for central banks.

Second, I argue that Bitcoin is an example of 'fake it till you make it'. Bitcoin speculation is driven by expectation of increasing institutional participation by wall street, main street, and government. All facets of centralizations that the Bitcoin community once had low regards. Such expectation is built on the hype that the pretender is the rightful king. For example, if the government decreed tomorrow that turtle shells can be lawfully used to payoff debt, then immediately we will see turtles become endangered, turtle shells appreciate in value, not from any merit of turtle shells as money, but merely from a definitional change in its legal standing. The crypto lobby is actively working in the same direction to link themselves to the existing system, with Bitcoin ETF as the immediate desired prize. Anticipation of legitimacy is what has been driving the appreciation of Bitcoin. That's why I believe that Bitcoin price rise is a form of 'fake it till you make it'.

Lastly, the most obvious reason is that Bitcoin is far too volatile. Generally, assets that are deemed to be a store of value should have risk characteristics that matches stability and not the level of volatility that we continue to witness. Clearly, Bitcoin is far too volatile, with potential risk of becoming worthless as well. Can the head of risk management at banks or at corporate treasury actually give greenlight to Bitcoin, given the possible scenario of Bitcoin value falling toward zero? If we have learned anything from past crisis, the impossible is not as improbable as our best models assume. That's why Bitcoin has yet to prove itself to be a store of value.

Let's not let 'fake it till you make it' a possibility for the fake digital gold. Let the technology prove its worth first by demonstrating convincingly the 3 functions of money. I see blockchain technology as a truly novel innovation that can improve civilizations but its beta versions of money still is wanting.