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My perspective on the Crypto-eco system

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THE MAN IN THE ARENA

Excerpt from the speech "Citizenship In A Republic" by Theodore Roosevelt delivered at the Sorbonne, in Paris, France on 23 April, 1910

“It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat. ”

Executive Summary

The past month has shown strong industry announcements such as new Mobile phones from HTC (the EXODUS), and Samsung (the S10), that are Blockchain enabled with Crypto wallets and connected trading platforms. A few Crypto-assets have more than doubled in value, such as Binance and ENJIN. Litecoin has increased by +20% and has now crossed over its 200 Day Moving Average. There are clear signs of positive momentum and greater consumer adoption.

2018 was a year of investment and building out platforms for the future, and the early days of 2019 are revealing broader successes from those investment efforts. The acceleration of Blockchain technology into all industries is happening, and the ability to transfer value (effectively money) within the Blockchain eco-system on a global scale is being recognized as a critical component of cross-border commerce. This is one of the most exciting times because it is not about the price of Bitcoin, it is about the adoption of technology and being alive as this evolution accelerates. We are witnesses to one of the great leaps in finance, industry, commerce, and the next generation of the power of the internet.

Perseverance is what Roosevelt praised, even in the face of pain and loss, for it is the power of belief, of not giving in to those that doubt the ultimate victory, that brings change that is good and which advances society to a new platform of connectivity, of borderless sharing of ideas, of equality and the recognition that every person has something to contribute that is valuable to our world.

Tom

Crypto-Assets of Particular Interest

The links to the websites of interesting platforms are as follows:

1. BNB <https://www.binance.com/en>
 - a. Largest Crypto Exchange generating in \$500 million in annual profit during the 2018 Bear Market. Market value has doubled during the past month.
2. Quant (QNT) https://www.quant.network/?utm_source=coincodex
 - a. Has created the software to link multiple Blockchains thereby facilitating corporate entities to take advantage of integrating prior blockchain platforms with the newest most powerful emerging platforms
3. ChainLink (LINK) <https://chain.link/>
 - a. This is the bridge between Smart Contracts and external data sources (Oracles) that provide the necessary information to validate terms of the Smart Contract have been met.
4. DragonChain (DRGN) https://dragonchain.com/?utm_source=coincodex
 - a. US based interoperable platform and incubator of emerging projects
5. ONT <https://ont.io/>
 - a. China based Blockchain directed at authentication of digital assets and identities. Strong relationship with Microsoft is a clear positive.
6. NEO <https://neo.org/>
 - a. China based Blockchain that is similar to Ethereum. Smart contracts and decentralized business platform for the future smart economy on the internet. Gaming is now a key component of their platform.
7. POLY <https://polymath.network/>
 - a. A Security Token platform to facilitate the securitization of assets in compliance with government regulations. If STOs take off, PolyMath should be dead center in the toolbox of this potential wave of new investment opportunities.
8. ZRX <https://Ox.org/>
 - a. A software platform that serves as the backbone of decentralized exchanges built on the Ethereum blockchain

9. LYMPO <https://lympo.io/>
 - a. A health and exercise platform
10. LRC <https://loopring.org/>
 - a. A software platform that serves as the backbone of decentralized exchanges built to support multiple blockchains, including Ethereum, NEO, QTUM, etc

2019 expected market moving events

There are many anticipated events in 2019 that will serve to deepen the penetration of Crypto assets into the broader community. A few examples are as follows:

- BAKKT
 - Bakkt, which intends to leverage Microsoft cloud solutions to create an open and regulated, global ecosystem for digital assets. The new company is working with a marquee group of organizations including BCG, Microsoft, Starbucks, and others, to create an integrated platform that enables consumers and institutions to buy, sell, store and spend digital assets on a seamless global network. It has recently been revealed that Starbucks will begin accepting Crypto-currencies at their stores in connection with this investment.
- BTC ETF
 - It is expected that during 2019 the United States Securities and Exchange Commission will approve an ETF for trading on U.S. exchanges of a security backed by Bitcoin
- Stable Coins
 - A number of coins are being issued that are backed by Fiat currencies (every crypto Stable coin will be backed dollar for dollar by the designated Fiat currency)

- Gaming
 - Multi-player games and betting game platforms are a focus of the crypto world given the high value of transactions that take place online. The Blockchain is a perfect vehicle for these types of large consumer-based interests.

- Lending
 - Loans in crypto currencies and Fiat loans collateralized by crypto currencies are gaining traction in the market as a new form of financing

- Interest earning deposits
 - Interest earning deposits are expanding to include more crypto assets. Interest rates of between 3% and 7% are currently being paid for deposits of Bitcoin, Ethereum, LiteCoin, etc.

Articles that present important developments in the Crypto Industry sector:

- Here's What You Need to Know About **Facebook's Own Stablecoin**
<https://medium.com/okex-blog/heres-what-you-need-to-know-about-facebook-s-own-stablecoin-890bbbed04c7d>

- **Fidelity Digital Assets** is now live with its cryptocurrency custodial solution and will provide it to “a select group of eligible clients” as the firm is working towards becoming a go-to service provider for institutional investors in the world of cryptographic and blockchain-based finance.
<https://news.bitcoin.com/fidelitys-cryptocurrency-arm-starts-offering-institutional-investor-services/>

- **JP Morgan** to issue its own crypto-coin, the JPM Coin, for use by its corporate clients

<https://www.theblockcrypto.com/2019/02/14/j-p-morgan-is-using-ethereum-to-launch-a-digital-u-s-dollar-heres-what-it-means-for-blockchain/>

- **Binance** records \$446 million profit for 2018

<https://www.theblockcrypto.com/2019/02/06/analysis-binance-brought-in-446-million-in-profits-in-2018-despite-the-bear-market/>

- **Celsius** records \$630 million in loans in 2018

<https://www.forbes.com/sites/rachelwolfson/2019/02/05/leading-cryptocurrency-platform-completes-over-630m-in-crypto-loans-in-six-months/#7e7af15c526d>

- One of the largest publishers in the world addresses the paywall and transaction costs by utilizing a blockchain wallet

<https://cryptobriefing.com/digital-publisher-stellar-payments/>

- Wyoming accepts Bitcoin as money

<https://ambcrypto.com/wyoming-senate-passes-bill-recognizing-bitcoin-btc-and-other-cryptocurrencies-as-money/>

- A forecast from the former CEO of NASDAQ that by the year 2022 all securities will be tokenized

<https://ethereumworldnews.com/what-will-happen-if-the-508-trillion-global-market-is-tokenized-as-projected-by-former-nasdaq-ceo/>

- Harvard, Stamford, MIT and Yale have included Crypto in their Endowment portfolios

<https://www.ccn.com/breaking-harvard-stanford-mit-have-all-invested-in-cryptocurrency-funds/>

- New Hampshire and Indiana follow Ohio in tax collections using cryptocurrencies

<https://ambcrypto.com/us-states-new-hampshire-and-indiana-introduce-bills-for-taxes-to-be-paid-in-cryptocurrencies/>

- **QTUM** Blockchain becomes Amazon Web Services partner in China

<https://www.coindesk.com/amazon-web-services-china-partnering-blockchain-qtum>

- **Robinhood**, a mobile application that enables you to trade stocks on your phone has been given a New York license to trade crypto-assets. New York is the most stringent state in regulating trading of crypto-assets and is a model for other states, this approval opens many doors for Robinhood and crypto trading.

<https://ambcrypto.com/cryptocurrency-exchange-robinhood-conferred-bitlicense-by-new-york-regulators/>

- One of the needs of the Bitcoin platform is to be able to process transactions with greater speed during times of peak demand. **The Lightning network** is being designed to sit on-top of the BTC Blockchain and will manage the high volumes off-chain or not within the BTC

Blockchain. As Blocks of data are filled, they are re-entered into the BTC Blockchain as completed blocks subject to verification, resulting in thousands of transactions processed per second on the BTC Blockchain, targeting millions of TPS in the next generation release.

<https://www.investinblockchain.com/bitcoin-lightning-network-accelerated-growth/>

- Futures Contracts for future delivery of Bitcoin, that require physical delivery of Bitcoin is coming and this will drive demand for BTC ownership to ever higher levels.

<https://www.ccn.com/nasdaq-to-launch-bitcoin-futures-2-0-in-early-2019/>

- Head of the New York Stock Exchange indicates Crypto-assets are here to stay

<https://www.ccn.com/unequivocal-yes-nyse-chair-says-bitcoin-and-crypto-are-here-to-stay/>

Closing Thoughts

The Crypto asset class is one of the higher-risk sectors that one may invest in. Many leaders in the financial and regulatory world believe the sector will fail and that the activity in 2017 and 2018 represented a bubble and a bust that will not be recovered. I believe this is a short-sighted view (pun intended). The growth in capital committed to developing and expanding the Blockchain technology is validating the reach and potential of this technology.

The number and talent of the brightest minds in engineering, computer science, and the financial industry that are moving ever more deeply into this sector is dramatic. The most desperate plea coming from the crypto eco-system is for

more engineers and computer scientists. There is an unrelenting demand for the best and the brightest.

Across the globe, Blockchain companies are holding workshops for developers in an effort to uncover the next critical discovery, the next idea that will springboard the Crypto and Blockchain sector into the mainstream. Today, there are more brilliant people investing their time and effort in the future of this technology than there has ever been. I have faith in what they are doing and recognize that our world of border driven tensions is pushing us to find solutions that diffuse the tension for the betterment of the people of the world. Trade wars represent the approaches of old thinking and old thinkers, whereas the next generation of the internet as a platform for distributed technologies that bring all of us closer together in common initiatives is our next chapter. We have a great book to write that will change the world, won't you join us?

Best regards,

TJC