

CRYPTO A.M.

Our series on AI, Blockchain, Cryptoassets, DLT and Tokenisation

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PARTNER CONTENT

CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

Conference season is well and truly underway with many projects and companies coming out of the summer slumber, batteries well and truly recharged. The Ethereum Summit in Tel Aviv seems to have had a positive effect of the price of Ethereum, up at \$190.17, meanwhile Facebook's Libra faced the music yesterday when meeting representatives of 26 central banks who make up the Committee on Payments and Market Infrastructure.



How will this play out? "Until Facebook announced its intention to launch Libra, central banks were largely dismissive of private cryptocurrencies," commented Claude Brown, partner at Reed Smith. "Some central bankers advocate blocking Libra, others have accelerated the developments of their own digital currencies. Libra will see it as an advocacy opportunity; the 26 central banks will want to lay down the law. That is one big expectation gap."

Looking at the cryptomarket at the time of writing Bitcoin (BTC) is slightly down from last week at US\$10,191.30; Ethereum (ETH) is at US\$190.17; Ripple (XRP) is at US\$0.2584; Binance (BNB) is at US\$20.21 and Cardano (ADA) is at US\$0.04599. Overall Market Cap is at US\$263.91bn (data source: www.CryptoCompare.com)

There is some positive news that came in yesterday from Sumner Global who featured in the Crypto AM Spotlight on 9th April 2019 (www.cityam.com/crypto-insider) as it has launched its SGHX tokens beta live for trading on the London Derivatives Exchange ("LDX") issuing 120,525,202 SGHX tokens, making it the first and largest security token hosted on LDX. SGHX tokens were issued by Sumner Global Singapore, and represent 22% economic interest of SGH Global, a diversified holdings company with interests in a range of sectors including mining, healthcare, clean technology, digital technology, real estate and protective services.

Yesterday I spoke with David Sumner, Chairman and CEO of SGH Global, explained that the listing is a significant milestone for his company, saying "bringing the first SGHX tokens to market for trading is the culmination of an ambition held since our inception - to incorporate digital technology into our business model enabling access to new pools of capital in order to drive growth across the SGH portfolio." This comes just days after SGH Global signed an MOU to form a strategic partnership with Maju Holdings, a multi-billion dollar Malaysian conglomerate, thereby expanding the company's footprint further in South East Asia.

Finally, with community support in mind, tonight I will be hosting the first in the series of Crypto AM Pitch Suppers at Smith & Wollensky where five companies: MIRIS, Digital Asset Custody Services, Prowd, Pynkio and ARYZE will be presenting to a select audience. The next ones are scheduled for the 29th October and 19th November and any reader interested in attending should email me to apply to attend - Cryptolnsider@cityam.com

Blockchain seems to be everywhere these days but due to its clear association with popular crypto assets such as Bitcoin, there can be no doubt that it is the most misunderstood of all emerging technologies.

IS BLOCKCHAIN A FAD OR IS THERE A NEED?

As we move further into the era of big data, mobile communications, and on-line services we all hope that our personal information is going to be secure. In an increasingly digital and interconnected world, businesses are, on the one hand, expected to know who their clients really are and be able to verify that transactions are legitimate and, on the other hand, be able to ensure that business and personal data is protected. This was hard enough to achieve when transactions were slower and only two parties were involved. Now we are expected to be able to purchase almost instantly from an invisible network of suppliers, safe in the knowledge that our money and personal data is safe. For example; there was a time when you wanted to buy a book and went to the bookshop, picked the book from the shelf, paid in cash and left with the goods. Little or no information changed hands and your money was secure. Today you can simply make a verbal command to Alexa, Amazon's artificial intelligence-based voice service, and ask it to send the book directly to your home. To complete that transaction, information about who you are, your voice profile, your financial details and address is used to complete the purchase.

In today's world, to complete that customer journey efficiently, various parts of that information will be used to inform either suppliers, dispatchers, accounts teams, and couriers. Perhaps more importantly; however, is that your personal information is now so valuable it could be misused for fraud or used to generate information on your behaviours, which can be processed to sell you more services in the future. We would all like to think that this information is secure, that



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there are good records should a dispute arise, and that whatever systems are being used they can cope with high-speed automated trading.

As the race for digital supremacy has become increasingly competitive, data breaches have become more common, yet paradoxically, the value of this metadata will increase ensuring governments will push businesses to adopt tighter standards. Data protection laws such as GDPR, anti-money laundering regulations and the general requirement to "Know Your Customer" have put great pressure on businesses to

change their practices to protect customers and so contain the dark side of business. All this must be underpinned by a technology that provides absolute security, transparency when required, and that can reduce, rather than increase the transaction costs of any high-speed digital business. Furthermore; in a world where customer journeys are no longer linear events, businesses will require a technology that can deliver a digital experience whereby customer value is derived in far more meaningful ways. If you're not focussing on blockchain technology today, you place

yourself at risk from being irrelevant tomorrow.

TRANSFORMING DIGITAL EXPERIENCES

Many businesses are unnecessarily complex, processing disparate versions and formats of data on complex and inefficient legacy IT systems. This often causes data and culture silos as managers focus on making sure they can 'keep the lights on', in their specific area of focus; rather than how they can improve things 'end-to-end'. Such inefficient businesses processes can lead to

an untold amount of revenue opportunities being wasted, poor customer experiences and fraud.

Customers' expectations; however, are changing more than ever before. The next generation of consumers are less loyal and will have grown up accustomed to the digital experiences on offer from Google, Netflix, Amazon and Uber. If you're not able to satisfy their demands they'll use someone that can. It is for this reason why businesses cannot overlook the transformative impact of blockchain. It is the only technology that will provide businesses

with an opportunity to improve their data security; whilst providing them with a clean data structure that will allow them to uncover more immersive and much more meaningful digital experiences for their customers. Something Smarter Contracts has termed "Decentralised Digital Business Transformation".

Indeed, through the power of Blockchain we believe businesses will be able to take what are typically seen as mundane back office processes and move them front and centre as a means



Blockchain offers the opportunity to power businesses in real-time

of creating far more meaningful digital experiences for the internal and external customers of every business, across all industries and sectors. Ultimately, Blockchain is a way to ensure that all manner of business transactions can be secure, have necessary records attached, and can work where information needs to be distributed between a number of transacting parties simultaneously. For the first time ever, Blockchain can provide businesses and business leaders with the ability to power the entire end-to-end of their operations in real-time. The opportunity is as powerful as the advent of the internet and cannot and should not be overlooked.

Lord Waverley, a strategic advisor to the blockchain consultancy, Smarter Contracts (www.smartercontracts.co.uk), in conversation with James Bowater.

IMPORTANT INFORMATION: THE VIEWS AND OPINIONS PROVIDED BY CITY A.M.'S CRYPTO INSIDER AND IN THE CRYPTO A.M. SECTION SHOULD NOT BE TAKEN AS INVESTMENT OR FINANCIAL ADVICE. ALWAYS CONSULT WITH YOUR FINANCIAL ADVISOR.

CRYPTOCOMPARE MARKET VIEW

Leading Exchange Coinbase Invests in Decentralised Finance (DeFi)

Major news last week included the announcement that Coinbase is investing \$2 million worth of its USDC stablecoin (pegged 1:1 to the USD) to support the adoption of two popular decentralised finance (DeFi) projects. The funds will be allocated to encourage users to borrow from lending platforms Compound and dYdX.

DeFi has emerged as one of the major areas of interest for 2019, with more than \$532 million currently locked in protocols including Maker, Synthetix, InstaDapp and Uniswap.

In other news, crypto exchange Binance opened trading on its new Futures platform. Traders will initially be able to trade BTC/USDT pairs with 20 times leverage, though CEO Changpeng Zhao has hinted that more pairs – and greater leverage – are on the way.

In the markets, bitcoin has remained relatively stable trading at the time of

writing at \$10,351 after surviving a midweek attempt by bears to push price below \$10,000. The lack of decisive price action likely reflects uncertainty about the effects that Bakkt Bitcoin Daily Futures, due to open 23 September, will have on the market. While Bakkt is generally seen as a positive development for the asset, the possibility of a 'sell the news' event may temper bullish sentiment short-term.

This week, attention will be on the performance of Ethereum. ETH is trading at the time of writing at \$194.31, approximately 15% up from the major sell off in late August. Perhaps of greater interest to altcoin traders, the ETH/BTC pair finished the week over 6% up, giving hope to bulls of a change in trend. Down 85% from its bull market peak, the pair is often viewed as a bellwether for the health of the whole altcoin market, which is currently struggling with 28% market dominance versus BTC's 72%.

CRYPTO A.M. INDUSTRY VOICES

CC Forum London: Investment in AI & Blockchain 14-16th October at QE II Conference Centre

WHAT IS IT SO SPECIAL ABOUT CC FORUM LONDON?

Well, first of all CCF is not just a blockchain event. It goes beyond that in that it embraces a variety of emerging technologies although it does have blockchain as a backbone. There is a great deal of AI, IoT, Big Data and Fintech involved, and of course Crypto related content is paramount. Most importantly, however, CC Forum has been conceived as a global platform on which to make public announcements, launch services and products and where aspiring startups would have an opportunity of connecting to both private and institutional investors.

WHO ARE CC FORUM'S ATTENDEES?

We have a number of categories. These range from thought leaders and C-level executives down to developers as well as blockchain and AI enthusiasts.

THERE SEEMS TO BE A STRONG GOVERNMENT PRESENCE. WHAT MAKES CC FORUM SO ATTRACTIVE FOR POLICY MAKERS?

Again, that goes in tune with the concept of CC Forum - that of its being a global hub for movers and shakers. Apparently, despite the Brexit implications for the industry, or perhaps because of them, good old England is keen to jump on the bandwagon of embracing emerging technologies. We have four MPs already confirmed to speak and two domestic Ministers with whom we are currently fine-tuning the schedule alongside with a few top foreign government officials for our epic panel "Innovative Technologies as a Means of Attracting Foreign Direct Investment" inter alia. We also have two members of the European Parliament specially coming to join our brainstorming regulatory panel.

Attending the exhibition and the conference is FREE for City AM readers. Navigate to cc-forum.com/register and use the promo code CRYPTOAM for a Standard Pass. Alternatively use CRYPTOAM20 to get 20% of Business Pass or VIP Passes.

James Bowater interviews Max Studenikoff, Chairman of cc-forum.com

YOUR LINE-UP IS AMAZING. WOULD YOU LIKE TO SINGLE OUT SOME OF THE MOST RENOWNED SPEAKERS AT CC FORUM LONDON? Most of these are indeed well-known in

the space. We have the world famous macro economist Prof Nouriel Roubini confirmed thanks to our official partner TNC IT Solutions Group. Roubini will be participating in our heated debates on some of the existential issues with the likes of Roger Ver, Brock Pierce, Bobby Lee and Tone Vays. We will be having members of the world's royal families including HSH Prince Michael of Liechtenstein and HE Shaikha Noora of Bahrain's Royal Family confirmed to name but a few. But we also have another tier of speakers who are leading investors who having had hands-on experience investing in blockchain and crypto projects.

WHAT IS THE INVESTOR'S HUB?

It is a crucial feature of CC Forum and a special area where startups will have direct access to the decision makers in situ and will be able to pitch their projects subject to a prior arrangement. We have 20 participating VC capital firms, investment funds and family offices with around US\$50bn AUM including some of the biggest Middle Eastern family offices interested in investing in the space.

IS THERE A NETWORKING PROGRAMME?

Absolutely. Networking is key with a 1,000 sq m exhibition floor. The opportunities also range from networking drinks and private retreats to our traditional black-tie investors' Gala Dinner and Awards Giving Ceremony. We are also finalising minutiae of holding a special VIP event at the House of Lords as part of CC Forum London.

CITY AM READERS OFFER

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Crypto A.M. shines its Spotlight on Prowd

The world is changing rapidly and with this change we have seen a huge shift in the global employment landscape. There is a greater desire for freedom and job satisfaction which brings with it a raft of challenges for employers and presents a unique opportunity for employees. You've all probably heard the term "gig economy" and while this catch all phrase has come to signify the freelance trend it can also be misleading. Sites like Fiverr provide a marketplace of sorts for freelancers to complete gigs which tend on the whole to be small, pieces of work. Many professional freelancers prefer to avoid the "gig" mentality and focus instead on a well-defined career based on projects that suit their particular skillset.

unique set of challenges. This is where we'd like to introduce the Prowd platform developed by Project Crowd.

Prowd has been specifically developed to act as a conduit for Employers, Recruiters and Freelancers. A way to connect each with the other based around a range of key criteria including culture, utilising AI and Blockchain to build trust and add unique insight and thereby solve a range of the legacy issues that have crossed over from the traditional employment market into the

The flexibility offered by Britain's freelancers is worth £21 billion to the UK economy in added value



Dennis Hauck, COO and Kathrin Hauck CEO of Prowd

freelance space.

Prowd is the brainchild of Kathrin and Dennis Hauck, two entrepreneurs with a track record in the freelance space who basically got sick of waiting for someone

else to solve these problems. Together with their Silicon Valley based tech partner they have been working for over 18 months to develop the Prowd freelance recruitment platform, which will be ready to launch in

Q4 2019.

"We will initially be focused on IT professionals," says CEO and co-founder Kathrin "because this is a sector that we know particularly well and there is a huge demand for freelance IT skills in the corporate space. The Prowd platform will launch with a focus on servicing markets in Europe and the UK before we expand globally. We believe it is vital that we hone the algorithms and build up a user base, although from the initial Beta and feedback we have received so far we are confident that we will be able to deliver far greater value to our users than anything currently on the market."

While they are currently seeking investment and have already engaged with VCs and family offices, Prowd are also proud to be the first venture to launch their STO via the Own platform. The private sale will commence on the 24th of September and the public launch will follow in mid-October.

For investors this represents an opportunity to tap into a steadily expanding market and for freelancers there is also a unique ownership reward which will effectively see early adopters become shareholders in a platform that will ultimately shape their future careers.

For more information on Prowd please visit their website at Prowd.io and to register for the STO please use this link https://projectcrowd.weown.com



PRIVATE BLOCKCHAINS

Jon Walsh, Associate Partner, Blockchain Rookies

The Bitcoin blockchain is public and permissionless. Anyone can access the entire contents of the blockchain, and anyone with the right equipment can join the network to support verifying and validating transactions and adding blocks to the blockchain. To purists, this is the only correct way to have a Blockchain. In the enterprise environment, however, it may make more sense to have a private blockchain. In a private blockchain, there are limits on who can read what information and rules regarding who can verify transactions and add blocks to the chain.

In the case of a blockchain for supply chain, it would make little sense for everyone to be able to see all of the information relating to each other's

transactions. Some information is commercially sensitive and should not be shared. Other information, such as data related to the provenance of goods, can be openly shared.

Today's enterprises require strict control over who will have read and write access to core business information, whether stored in a database or on a blockchain. Public blockchains do not support this and thus the need for private blockchains.

Blockchain protocols such as Hyperledger Fabric or Corda are precisely the type of technologies that private industry should use. They are purpose-built for robustness and the demands of enterprise customers. There are numerous enterprise blockchains being developed today

utilising these and other enterprise ready private blockchain protocols.

Even if Blockchain purists despise their existence, private blockchains have their place as do public and permissionless blockchains such as Ethereum, EOS and others.

Arguing over whether private blockchains are "real" blockchains or if they are just another form of distributed ledger technology (DLT) is unimportant in the broad scheme of things.

To drive broad blockchain adoption, we need a variety of protocols which support both public and private blockchains.

Get in touch with us: info@blockchainrookies.com / Twitter @igetblockchain

