CRYPTO A.M.

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

E: CryptoInsider@cityam.com
@CityAm_Crypto

In association with CryptoCompare

PARTNER CONTENT

CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

Greetings from Nice where I am on annual leave! It's the right time to be away as the summer holidays give way to a hectic last quarter! The strong message is that U.K. AI, Blockchain & Digital industries are fully energised with a plethora of very exciting projects which have survived the pains of Crypto Winter standing them in very good stead for the future.

In the crypto market at the time of writing, Bitcoin (BTC) is down from last week at US$10,768.50; Ethereum (ETH) is at US$202.19; Ripple (XRP) is at US$0.2866; Binance (BNB) is at US$29.15 and Cardano (ADA) is at US$0.05061. Overall Market Cap is at US$280.1bn (data source: www.CryptoCompare.com)

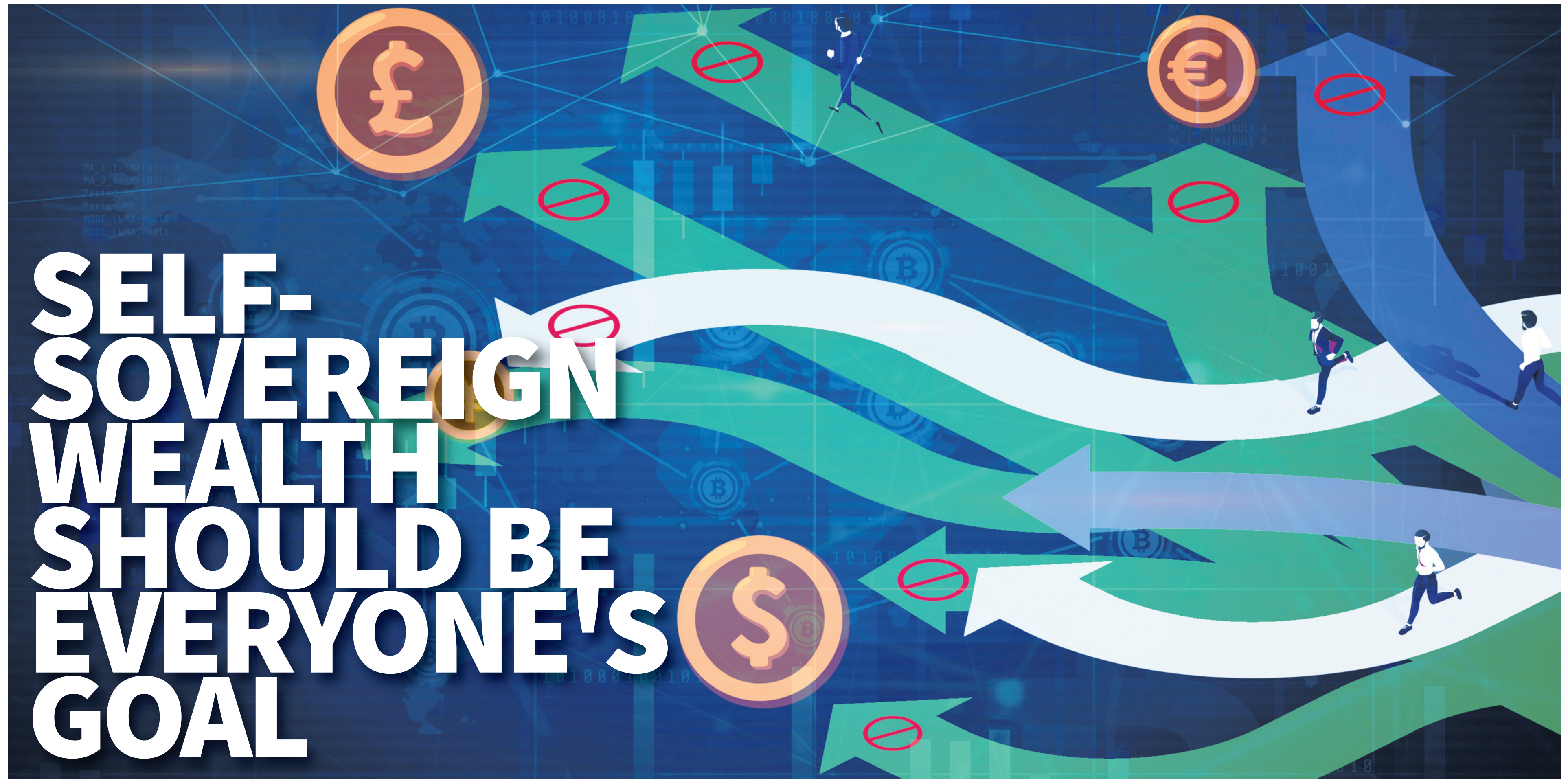
Yesterday Binance, the world's largest Cryptocurrency Exchange, announced its plans to initiate an open blockchain project, Venus, an initiative to develop localized stablecoins and digital assets pegged to fiat currencies across the globe. Binance is looking to create new alliances and partnerships with governments, corporations, technology companies, and other cryptocurrency companies and projects involved in the larger blockchain ecosystem, to empower developed and developing countries to spur new currencies.

Yi He, Binance Co-founder, said "We believe that in the near and long term, stablecoins will progressively replace traditional fiat currencies in countries around the world, and bring a new and balanced standard of the digital economy. We hope to achieve a vision, that is, to reshape the world financial system, allow countries to have more tangible financial services and infrastructures, protect their financial security and increase the economic efficiency of countries." She echoed this in her tweet "We have a vision to achieve a borderless financial system. It's not just to the moon. To #venus"

One of the most intense times for any young company is the capital raising roadshow where of course entrepreneurs expose themselves to great scrutiny and equally, put their cash on the line if the exercise fails. One example is the Craft Coin Company. I caught up with its founders, Florian Bollen and Florian Krüger, to find out more:

"Although the UK is great for start-ups, it's crucial to venture further afield, especially within the borderless Blockchain space. We put aside £30k to do a tour across China and added a last-minute decision to stop off at Futurist in Toronto. Money well spent as far as we're concerned!

We gained a huge interest from international investors, partners who are looking to offer our Craft Beer Coin as payment in regular retail stores and signed up a number of new global breweries. CBC is only the second token to be live and underwritten by a real-life commodity, a pint of beer, which gained us multiple mentions on and off stage and we've been asked to present at Las Vegas Blockchain week as an addition our touring schedule which includes De:days in Mallorca, followed by Hong Kong, Japan and Singapore." To find out more do email them at enquiries@craftcoin.company



Designed by Phill Snelling, Bowater Media

Through decades of financial change, regulation, inflation, war, political and economic changes we've been told that the hard "earned" money in our pocket is ours to spend as we please. However, the notion that we are in control of our own money and have financial freedom to make our own financial decisions on our is a fallacy and an ideal that we're falsely lead to believe.

Your hard-earned income should be a pathway to financial freedom and to provide for your family and invest towards a higher standard of living.

The harder we work, the more we earn and the payoff for that work should be greater than before, but that's not always the case.

Over the years the value of the money we get back from our work is eroded by the inflation of fiat currencies such as the Great British Pound (GBP) and the almighty US Dollar (USD).

A question to ask yourself is "what is a Pound worth these days?" What could a pound have bought you 10 years ago? If you had the same job, with the same pay, over 10 years, would you be better or worse off? Taking the job security aspect out of the equation, you'll always be worse off with a fiat currency-based economy (which is all of them).

Fiat currency-based economies came about in 1944 from the Bretton woods Agreement where delegates from 44 nations came together to build a new global financial system. This financial system pegged each nation's currency against the US Dollar, which was in turn pegged to a gold price at $35 an ounce. In 1971 this system collapsed when President Nixon declared that there was not enough Gold to back all the US Dollars in circulation and that the system built on the Bretton Woods act would unpeg the US Dollar from the gold standard. The buying power of the US Dollar has since plummeted by over 80% of its buying power since 1971 when the Bretton Woods financial system's key component, the ability to convert Gold into US Dollars, was frozen.

This inflationary fiat-based economy which means working harder and saving for retirement ends up being a never-ending hamster wheel where the average middle-class working family cannot get ahead to get out of crippling debt, provide for their families or lead more comfortable lives. Our schooling and education systems are currently ill equipped to properly educate the next generation of income generating workers how to properly financially educate themselves.

How do we effectively sidestep government issued and central bank backed fiat currency systems to protect our financial freedom? How do we ensure our own financial wealth preservation isn't branded as illegal and money laundering?

"WHAT IS SELF-SOVEREIGN WEALTH AND HOW DO WE ACHIEVE IT?"

Whenever you hear the word crypto or blockchain, you immediately think Bitcoin, volatility, gambling and scams. You don't think financial sovereignty or wealth preservation, because the space is still so young and immature... but a new age of finance is coming where everyone can be involved.

In the current financial system when you want to make an investment to make some interest on your capital, you could issue a loan to someone. But how do you ensure they pay back what they say they will, on-time and in full? You can't. Humans and fiat currency are impossible to hold to account and actions aren't transparent to a wider group of validators to keep them accountable.

On the Ethereum blockchain and beyond, a new breed of finance is being developed and already delivering steady, secure and reliable returns for investors with the nickname "DeFi". Short for decentralised finance which is a smart-contract power economy where lenders and borrowers enter into a digital contract together where all actions are held to account.

If you are a lender you can issue a loan on a smart contract using a cryptocurrency or token such as Ethereum (ETH) or DAI (DAI). Once this submission to a contract occurs your principle is issued to a pool of funds available for borrowers to use for trading, investing and many other activities.

In order to access any of this pooled liquidity, a borrower must put up a digital asset up as collateral to borrow your funds and guarantee you an interest rate in return. These systems and platforms are becoming more sophisticated by the day and in the future could be the main use case that brings the financial world into the blockchain space.

> A new age of finance is coming where everyone can be involved.

Imagine a world where no investment was reserved for the super-rich and exclusive but available at a crowdfunded level where everyone can contribute and are equally held to account. Imagine a world where your hard-earned income can be put towards generating an additional income for you and your family to start a decentralised portfolio of investments that cannot be influenced by any central government or bank.

That's a world I want to live in, a "DeFI" world of equal financial opportunities and financial sovereignty for all.

Jeff Hancock, Founder & CEO of getFIFO, in conversation with James Bowater. For more information visit https://getfifo.io or email Jeff@getFIFO.io or http://linkedin.com/in/jeffreyrthancock

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.

Crypto A.M. shines its Spotlight on Monolith

Monolith (formerly TokenCard) is a decentralised banking alternative, powered by Ethereum.

The platform allows you to securely store Ethereum-based tokens in your own decentralised Monolith Contract Wallet. You can then exchange them to fiat and load them onto your Monolith Card, the world's first non-custodial Visa Debit Card, allowing users total ownership and control over their funds.

Founded in 2016 by tech entrepreneurs Mel Gelderman and David Hoggard and based in London, the company launched its Ethereum-powered banking alternative on the UK and European iOS App Store in April, with an Android release planned for the near future.

Both founders have always been driven by exponential technologies that have the power to change the world for the better. Gelderman himself has previously traveled the world exclusively using crypto assets, validating his vision of being able to live life on Ethereum.

Now, the Monolith team is announcing its rebrand from TokenCard and partnering with DeFi projects MakerDAO and Digix to bring their tokens to the app.

Mel Gelderman, Chief Executive of Monolith, said MakerDAO and Digix represent best-of-breed Ethereum decentralised finance projects and are the first in a long set of milestones on Monolith's roadmap.

"We're thrilled to have had a fantastic response from our beta users and are now ramping up for growth. Rebranding to Monolith helps us achieve our mission of democratising finance and bringing the Token economy to everyone while providing a unique service to our customers."

> Rebranding to Monolith helps us achieve our mission of democratising finance.

David Hoggard (left) and Mel Gelderman (right), co-founders of Monolith

"MakerDAO and Digix are some of the most well-recognised and earliest Ethereum-based projects. For TKN holders, these partnerships mean that DAI, DGD and DGX are now eligible for usage with the Monolith Visa debit card. We're thrilled to offer them on Monolith, and see this as the start of bringing many more quality tokens into the Monolith ecosystem. Watch this space." he added.

Before bringing its product to the market, the company joined the United Kingdom's Financial Conduct Authority (FCA) Regulatory Sandbox in its fourth cohort. The regulatory sandbox allows cutting-edge businesses to perform limited tests of innovative products, services, business models and delivery mechanisms in the real market, with real consumers.

The practicality of bringing the crypto community closer than ever to 'real world' finance creates opportunities where none existed previously. By bridging this gap and reducing barriers to the applicability of decentralised finance, Monolith empowers a whole subsection of users in and around the crypto and finance spaces.

Indeed, the Monolith team are not just talking about change, they are putting change into action; the company recently published a blog post on how they are paying employee salaries in ETH directly to their Monolith Contract Wallets.

The Monolith Visa Debit Card is accepted globally and currently available for EEA residents (that's 31 countries within Europe).

Find out more at https://monolith.xyz

BLOCKCHAIN AND THE ROLE OF INDUSTRY BODIES

BLOCKCHAIN ROOKIES

Jon Walsh, Associate Partner Blockchain Rookies

In a previous column, we described how the only way to create value with enterprise Blockchain was via an industry consortia that has come together to solve a common problem where trust is low. That may be easier said than done when companies in an industry are competing against each other or buying and selling to one another, and constantly trying to outflank and outwit each other to gain a commercial advantage. However, there will always be industry challenges that are common to many of the participants where all would benefit by coming together to help solve…

So where to start? The suggestion for today's column is for industry bodies to lead the way.

One of the first things required to have a successful Blockchain project is for the participants to agree common standards. Without common standards, how can anyone agree on the actuality of the data recorded on the Blockchain? Industry bodies must lead the way by playing mediator and facilitator to pull together a consortia and create consensus on standards and governance.

The purpose of industry bodies is to play a critical role in establishing best practices, education, industry leadership or the technical standards for which an industry adheres. And if Blockchain, as a base layer database that can be trusted, can help improve trust both internally and externally in any given industry, then surely that is in the interest of a governing or trade body.

If an industry body isn't already doing this then the suggestion would be to attempt to create your own industry working group, and then invite the industry body later to help ratify the governance and give it a seal of approval.

Blockchain is most definitely a team sport, and all sporting games require a governing body to help set rules and then ensure they're adhered to.

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

CRYPTOCOMPARE MARKET VIEW

ICE-backed Bitcoin Futures Platform Set to Launch in September

Last week saw the news that following several delays, the Bakkt Bitcoin futures platform will be launched on 23rd September. Backed by the InterContinental Group (ICE), the parent company of the New York Stock Exchange, it will offer investors the opportunity to trade a daily bitcoin futures contract, and importantly those trading on the platform will be required to take delivery in the underlying asset, bitcoin (BTC), potentially fuelling greater demand for the asset. Bakkt will also offer institutional-grade infrastructure including a secure and regulated custody solution to support the futures contracts, which will likely be attractive to institutions that have been restricted from buying the asset previously due to compliance requirements.

Despite the bullish nature of the announcement, the impact on BTC's price was underwhelming. The asset gained 4% following the announcement, rising to $10,500 before dropping back to $10,000 the next day. The price action suggests the news was already priced into the market.

Bitcoin is currently sitting at $10,700 down 5.80% on the week. Ethereum (ETH) is down 5.7% vs USD over the past week, trading at $200.87 at the time of writing. The asset is trading at a similar level in BTC terms to where it started the week (0.0187), despite having hit a high of 0.0197 and a low of 0.0176. The combined market cap of altcoins hit a yearly low vs BTC at $73 billion, before recovering to its current level of $81 billion. Standout performers this past week include Dusk Network (DUSK) at 120%, Bread (BRD) at 24.94% and Metal (MTL) at 18.42%.

This week keep a close eye on how the majors perform against BTC for signs of a medium to long-term recovery. Assets that have reclaimed lost ground on high volume in recent days include ETH and XRP.

CRYPTO A.M. INDUSTRY VOICES

Why Quantitative Easing May Meet Its Demise

What may the Federal Reserve and other central banks do when the next recession begins? Interest rates remain at historical lows while monetary policy's interest rate reductions have had marginal effect rendering more QE impotent. The interplay between the socialist left and the outer non-capitalist right, both part of populism, both authoritarian in nature and devoid of liberty, has reverted to turmoil unseen since the late 1920s and 1930s. The animosity around Trump's election and Brexit has been substantial. Conflicts between the haves and have-nots further escalate once a deep recession gets underway. Meanwhile, the leading global superpower began to defend liberty against Communist China, albeit haphazardly and inconsistently with an overdue trade conflict.

Too much stimulus wrecks financial systems. Since QE began a decade ago, new sovereign debt-based liquidity was used to buy shares and assets, bolster private equity, and finance real estate. Low interest rates led to record levels of stock buybacks and acquisitions. Monetary tightening created "taper tantrums"; stock markets corrected by as much as -20% forcing the Fed's hand to continue to print. Nevertheless, QE efficacy is limited as interest rates cannot go much lower. Prices of hard assets continue to rise as fiat further devalues. Store-of-value assets such as gold and bitcoin are boosted. Lower rates move capital into hard assets which offer better upside. The fear trade of global crises including trade conflicts escalate this.

Various excessive entitlements and liabilities including pension and healthcare may no longer be serviced. This moves the first world closer to an outright devaluation of fiat much as happened in the 1930s via the readjustment of the price of gold from $20.67 to $35. It would stoke the fires of populist revolt. Meanwhile, conflicts between the U.S. and China on how to grab a larger piece of the economic pie will intensify as a teetering Communist China pursues world dominance.

By this point, the risk in holding cash and bonds will have pushed substantial capital into hard assets including SoV vehicles such as bitcoin, gold, silver, and selected minerals.

Numerous metrics are at tipping points. Bank valuations in the EU are close to breaking down to levels not seen since the year 2000. The dollar's 17-year high forces other central banks to outbid the Fed. Our charts show that various currencies, banks, and yields are assuming a brace position.

A primary driver of the Great Depression was Congress' Smoot-Hawley tariff with its 50% tax on imports, stalling trade. Is the current conflict with China a reincarnation of Smoot-Hawley? Trump has shown that he can force the Fed to lower rates should the stock market wobble. While too much QE resembles pouring gasoline onto a fire, it has to burn-out eventually.

Nevertheless, lower taxes together with exponential technologies (ExpoTech) can reverse this trend. Further, Trump's pro-business policies rule the day, not FDR's disastrous New Deal. Fascinating, but dangerous if authoritarianism wins.

Projected returns of $15 trillion in bonds are negative, below the projected returns of cash. This impedes effective growth of credit and other capital, causing some already faltering global economies to lag further.

Expected returns and risk premiums of non-cash assets are approximating cash returns, so why buy them? It becomes difficult to push prices of non-cash assets higher. Bond yields can only go so low.

Central banks' further easing and buying of assets produces more negative real and nominal returns leading investors to increasingly prefer alternative forms of money (bitcoin, gold, silver) or other stores of wealth/value (real estate, defensive stocks). A price rise in all of these vehicles is no coincidence. Expect the trend to continue.

*Dr. Chris Kacher https://t.me/HanseCoin
www.hansecoin.com
www.selfishinvesting.com*