

# CRYPTO

A new series on AI, Blockchain, Cryptocurrency and Tokenisation

PARTNER CONTENT

## CITY A.M.'S CRYPTO INSIDER

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Following on from the observation that Blockchain technology could help us trust our institutions again, I'm struck by the idea that open source / open book might actually be a good thing on a wider scale. I mean the whole genesis of the Bitcoin Blockchain was as a reaction to the 2008 financial crisis and the cypherpunk movement that included Julian Assange founding WikiLeaks in 2006. Which Jonny Fry, of Team Blockchain, told me "is ironic given that cryptocurrencies like Bitcoin were indeed established to avoid banks and institutions; now these same organisations are all over Tokenisation and Blockchain like a rash as they see the cost savings and added features tokens offer including creating digital footprints to help combat the black economy!"

Certainly knowing when you give to international aid organisations that the money is going to the right place and not being siphoned off; that commerce and trade between the emerging and established economies can be engendered with trust; that the information we rely on to make informed choices, be they political or otherwise, is bona fide - surely these are examples of where we all agree yes please, let's have some of that!

Over the past few weeks, since starting this City A.M. journey, I have met new companies setting out to solve such problems. I attended the ICO Masterclass Meetup at CMS's Cannon Street offices where Alastair Band of Sweetbridge gave a compelling presentation, which included the description of their forthcoming Bridgecoin which, fully KYC/AML compliant, will give comfort for trading counter-parties by being underpinned by visible verified assets.

A highlight of my week was last Wednesday which was cram packed, starting with a visit to the Blockchain Summit at Olympia. It was great to spend time with the event's main sponsor, the Pillar Project, who have a very clear vision of the future with the imminent beta launch of their wallet on the 16th July at their 'Unconference' in Vilnius which I hope to witness first hand. A standout presence was Sports Ledger, which aims to become the world's largest sporting ecosystem with the aggregation of sporting statistics.

I ended my day attending the launch of Pigzbe, which is a really exciting and innovative ecosystem allowing children to make digital Piggy Banking engaging and fun with their own Wallo token. Founder Filippo Yacob was extremely eloquent describing the ethos of the project and reassuring that the parents were in control - so no need to KYC/AML five year olds just yet!

## The True Value of Cryptocurrency: Why the Current Price Doesn't Matter

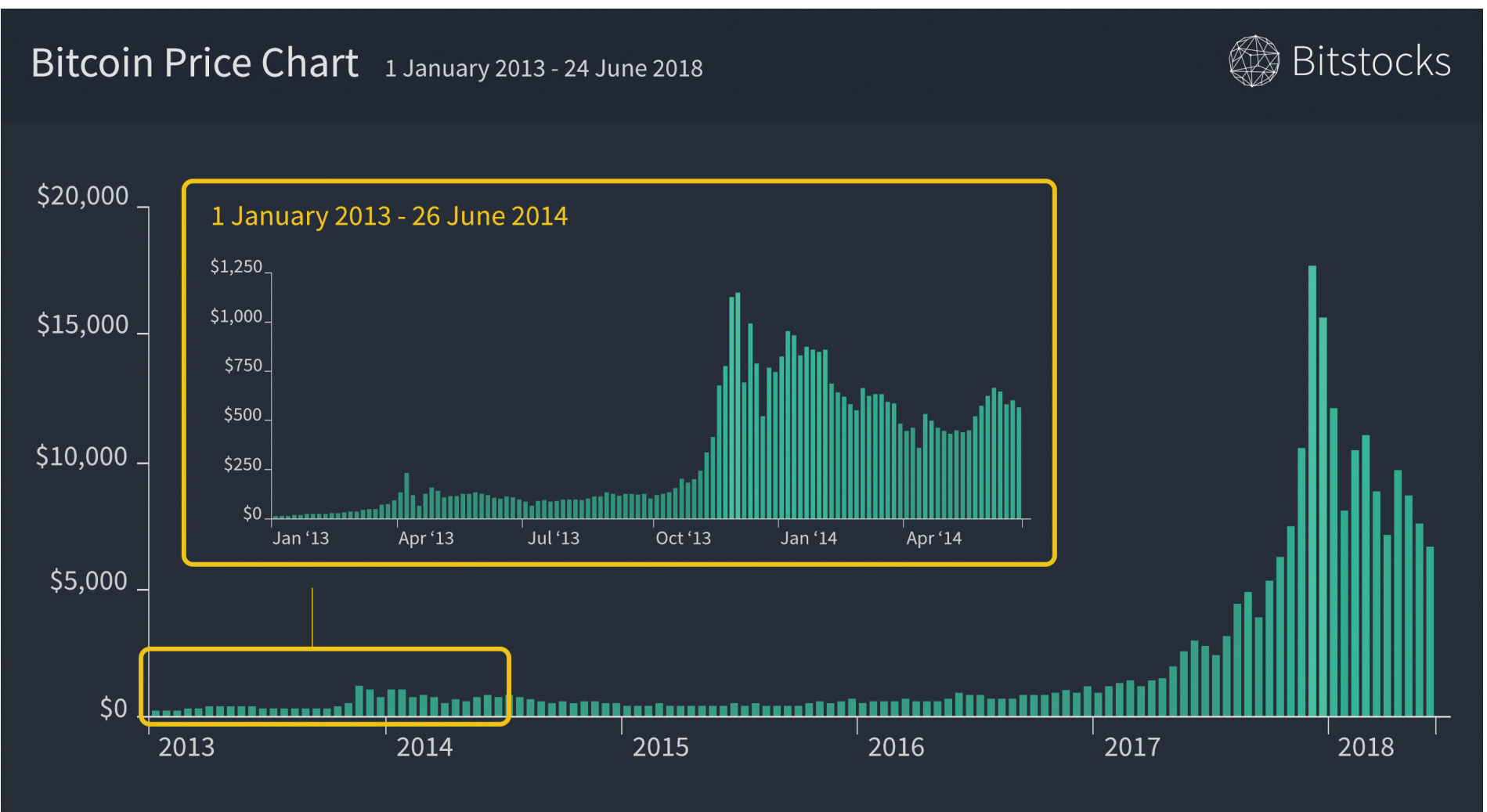
As the City of London's first cryptocurrency market advisory and investment firm we, have seen the price of bitcoin rise from the lows of \$150 back in 2013 to the highs of nearly \$20,000 in late 2017, before a steep slide back to test support around the \$6,700 - as of yesterday afternoon.

For those who entered the market at its peak, 2018 has proven to be a tough ride as the cryptocurrency market hasn't delivered the returns one expected. Quite the opposite really, leaving many with significant losses at this point. The rally was unjustified in our opinion, and fuelled mostly by media hype around the ballooning price. A snowball effect ensued, with all and sundry loading savings into cryptos based on FOMO (Fear Of Missing Out) and not necessarily with a full understanding of what they were investing in. As the correction started bringing the price lower, panic hit. New investors - facing almost immediate losses - started pulling out the market triggering further drop off, and so it goes.

And it's not the first time this has happened.

In late October 2013, a media frenzy erupted that extensively reported on the groundbreaking technology. Over the period of a month, the price of a single bitcoin soared from \$150 to \$1,242. A fundamentally gratuitous surge with no technical reason driving the price. As a result, the all-time high was short-lived and the price tumbled to settle in at the \$500 - \$600 range.

What is most interesting, however, is the wider historical view -



Digital investments: Blockchain helped the circle to become virtuous.

the panoramic perspective. When viewed against the backdrop of Bitcoin's lifetime price chart, the drama of 2013/2014 fades to a mere speck, a pebble on a vast beach. There is still a long way to go before the mainstream adopt the technology, and when that happens can you imagine how small the surge-and-purge of 2017/2018 will look on the timeline? The current dip simply represents another incredible

buying opportunity for those who have their eye on the intrinsic value and long-term potential, instead of the current price point.

The true value of cryptocurrency lies in its ability to facilitate financial sovereignty; to empower us to break free from the shackles of the incumbent financial system we are born into. A system that restricts true economic potential, and dictates our interaction with money

that is never genuinely ours anyway. It is based on debt, and that debt comes at a cost to us.

The nature of fiat currency is that it is backed by nothing more than the promise of central authorities that it is worth what they say it is. Add to this the issue of endless supply and you have a recipe for disaster. Through quantitative easing the total amount can be expanded at any given time and basic eco-

nomics tells us that the greater the supply, the lower the demand. The direct result is that price depreciates. For fiat currency, this means that the new supply siphons value from the existing supply and we see an overall depreciation of what you can buy for the same number of Pounds. As state-educated individuals we accept this as a general rise in cost of goods and services, but in truth it is a direct consequence of

the government's elite position to borrow more than they can ever realistically pay back, with citizens footing the bill for their political spending. It is a never ending cycle, and we haven't even touched on interest and taxation, which simply means that the central authorities, and their various stakeholders, are assured of profit from every monetary transaction we are ever involved in.

Blockchain technology, which underpins cryptocurrency, ushers in a new world. It breaks the mould of bureaucracy, and provides a framework where irrespective of location or status, we are afforded an equal role in economic inclusion, without

The current dip simply represents another incredible buying opportunity

the fees and red tape associated with the traditional system. It's an operating system that blows open unlimited global trade unlike anything we've seen before, and we're only just at the point where the decentralised foundation has been laid. We're still in the elementary stages of development of the commercial applications that will continue to open more and more opportunities of cryptocurrency utility, and that is value that will far outweigh any current price point. The real upside is still to be realised.

Michael Hudson is Founder and CEO of Bitstocks

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## Tokenising Gold – City A.M.'s Crypto Insider Interviews Jinbi co-Founder Joe Crawley

London-based Joseph Crawley heads up the gold mining operations and corporate strategy for Jinbi Token, a UK and Belarus-based gold-backed blockchain business. Jinbi merges traditional gold investment with blockchain technology, which allows the token holder to experience the best of both worlds.

Joseph is an expert in precious metals, trading, and mining and understands well the commodities and finance sectors. He is particularly familiar with working in gold mines in Turkey and Ghana.

He is now co-founder of Jinbi Token, having made the leap into the fast-expanding world of ICOs and cryptocurrencies.

Such is the popularity of the proposition, the pre-ICO has already raised \$8Million and the main sale, offering tokens up to the value of \$88Million, is achieving strong interest

globally. The remainder of the tokens are now offered in a main sale that runs through until July 26 2018.

Once the ICO fundraising is complete, the tokens will be available for purchase on cryptocurrency exchanges.

Joseph Crawley said, "Today, people who wish to buy twenty-four carat gold face a number of challenges. Where do you go to buy gold and how do you know if it is authentic? Is the gold from a trusted source? How do you store it safely? How do you get access to it? The list goes on."

"It is undoubtedly a complex and

Transparency is what the gold industry needs desperately

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confusing environment to purchase twenty-four carat gold. If you buy gold with paper contracts, you could be subject to counterparty risk. But what if you owned the physical assets and they were under your control? Transparency is what the gold industry needs desperately, and we are using blockchain as the solution to deliver it."

The Jinbi token provides both the precious metals investor market and cryptocurrency enthusiast with an advanced value preservation solution, as well as an innovative and accountable structure using a blockchain smart

contract. Jinbi expect to generate substantial capital appreciation whilst maintaining an attractive risk profile for investors.

Additionally, Jinbi Token holders are eligible to receive quarterly precious metals and cryptocurrency investment reports. Jinbi Tokens, which are delivered via a smart contract, are documentation of the invested physical gold holdings.

Crawley adds, "We have been overwhelmed by the level of support from our pre-sale and we continue to offer bonus tokens at this early stage of the main public sale."

"The great thing about Jinbi is that tokens will be assigned gold via smart contracts, meaning that each piece of gold will be accounted for, from mining to storage. Blockchain technology provides an easy, safe and simple way to transact in an efficient, anonymous and high-frequency manner through Jinbi."

Success can only be achieved through teamwork and Joseph's co-founder is Andre Rafnsson from 2030 who introduced Jinbi to the Pillar Project. Jinbi and Pillar are now working in partnership which means that Jinbi Tokens will be one of the first authorised crypto assets to be listed on the Pillar whitelist exchange.

The Jinbi token will have its own exclusive wallet using Pillar's unique and first to market platform that will provide additional security and transparency to token holders. In addition, Pillar project team members are supporting Jinbi Token as technical experts in blockchain structures and token transaction security. Crawley summarises, "Raising funds through an ICO is a fantastic learning experience. The resources in London are second to none, so it's a great place for new businesses to thrive."

For further information please contact Tina Fotherby on 0333 344 2341 or email tina@famouspublicity.com



## THE ICO LANDSCAPE

Rick O'Neill, Founder of Look, Touch & Feel - a Specialist Digital Marketing Agency pulls back the curtains on ICOs, and their Marketing campaigns, to reveal the real indicators of potential success and failure.

Last week we looked at how to assess the concept behind an ICO, but this week I want to "zoom out" a little, and talk about the competitive landscape in which ICOs are operating. It changes almost hourly, let alone daily, and it's full of complexity, ambiguity, and contradiction. Sounds fun, right?

For those blockchain startups considering, or gearing up for, an ICO right now, it's a worrying time. Regulation is tightening, but it's also still incredibly inconsistent across different regions of the world, and no matter how much they spend on lawyers, they're all still (mostly) coming up with slightly different answers! Aside from the regulation issues

(which I will be honest, are not really my field of expertise), the general environment in which ICOs are now launched is VERY different to that of just 6 months ago.

As with the gold rush to California in the 1850s, in 2017 there was a feeling of the Wild West; and that was bad for the trust and credibility that is so necessary in this field. There can be little doubt that professionalisation and regulation are now slowly coming in 2018 and beyond; and that is a good thing for all involved. Recently announced plans for the New York Stock Exchange to trade Bitcoin have also given the industry a feeling of permanency to counteract the 'flash in the pan'

perception from some quarters. The further announcement that The Boston Stock Exchange is working with Zero, a new Cryptocurrency exchange to trade security tokens, gives even further comfort as traditional investment professionals and institutions are taking an interest.

Authenticity is everything now if an ICO is to be successful, and for those now exploring the ICO world as a potential participant or investor, that means entering a potentially calmer, dare I say safer, environment than you would have been just 6 months ago. It will always be Buyer Beware, but ICOs and Tokens as a market are maturing before our very eyes at a rapid pace.



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## ICO NEWS



## Will Bitcoin Make or Break the internet?

News in the last week included a report called, ironically, 'Beyond the Hype' from the global central bank (BIS, the Bank of International Settlements) which contains more than its own share of hype, including a headline stating 'Bitcoin Could Break the Internet'. Together with the same obvious errors that the Bank of England's Mark Carney made when addressing the issue of future money and the viability of cryptocurrencies in March.

Both simply extrapolate from Bitcoin itself, basically ignoring all subsequent innovations - of which there are many. According to Wikipedia "as of April 2018 [there were] over 1,565 cryptocurrencies". Which is an underestimate as at TokenIntelligence.io, where we monitor ICOs globally, the total is fast approaching 2,200 and we see close to fifty new ICOs each week. With billions rolling in the pace of innovation continues to be both fast and furious.

So BIS' big mistake is its 'straw man' argument. BitCoin is the Ford Model-T of cryptos. The first roadworthy model. Such is the pace of development that meanwhile something much more like a Tesla, or Lamborghini is already being tested.

As TeamBlockchain's CEO Jonny Fry has pointed out, while VISA can process 65k transactions per second. "Hash-

graph can process over 300k per second. Currently Telegram handles 70 Billion messages a day and is looking to do 1m per second" - and has just raised \$1.7 Billion. Meanwhile the Lightning Network, now moving into 'production' mode, is set to speed up Bitcoin itself many times over, vastly increasing its capacity.

BIS' report also bemoans wasteful use of energy mining coins - but without acknowledging that the solution (something known as 'Proof of Stake', replacing the energy hungry 'Proof of Work') is already in the wings - or that a plethora of projects are moving the field forward at an unprecedented rate.

While no one can say for certain whether cryptocurrencies will come to dominate, replace or live alongside traditional fiat money, basing an Aunt-Sally argument on the less likely (but feared) outcome does no one any credit and adds nothing to the debate, except perhaps a little FUD.

What is not controversial, even for BIS, is that the technology created in order to make Bitcoin possible, and on which cryptocurrencies are based, Blockchain is set to revolutionise not just banking but many other sectors. We are seeing the remaking of the Internet - the birth of its next generation.

Please Tweet/Telegram questions to @BarryEJJames or listen at ICORadio.