

# CRYPTO A.M.

Our series on AI, Blockchain, Cryptocurrency and Tokenisation

PARTNER CONTENT

## CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

Debate in the Cryptosphere continues to be about how long this crypto bear market will run and whether Bitcoin (BTC) has reached its bottom or has further to fall. Then there's the question of whether spectaculars of a 'vulgarish' nature pile in to pump the price up. I have commented before that there appears to be a correlation between BTC's price and the cost of production for the BTC 'Miners' which is currently around \$6,000 per BTC.

My personal opinion is that whilst it's a useful indicator to divine a price, the truth is that the cost of production doesn't dictate pricing - demand does. As such BTC might well fall below the \$6,000 mark, especially if the SEC continues to push back its decision on ETFs and other stories of woe break out, such as the speculation surrounding the solvency of Bitfinex, the cryptocurrency exchange, who suspended fiat deposits into customer accounts. That being said I spoke with an experienced trader who has been systematically analysing BTC's ten year journey and patterns have emerged that would support the idea that the floor for BTC is \$5,000 with a steep bull run to follow all the way to \$29,000 before a sharp retrace at \$20,000.



The role of banks cannot be ignored either, when they consistently refuse banking facilities to Crypto related businesses, or worse - close company accounts completely. In a very welcome bold move a white knight has appeared in the form of London Block Exchange (LBX.com) who are now offering its LBXPAY segregated account to those affected. Benjamin Dives, CEO of LBX.com, commented "LBXPAY is a crypto payment account service for crypto and blockchain related businesses who've struggled to be accepted by the real world. It's a fully fledged payment account where companies can make third party payments just like a normal bank account"

In other news, I can exclusively reveal that CryptoCompare - the global cryptocurrency market data provider - publish their Cryptoasset Taxonomy report today. The taxonomy is an independent classification that supports industry understanding of the cryptoasset landscape and helps investors make well-informed decisions. Given that more than 1,000 different cryptoassets have emerged last year alone and each of these can be categorised using numerous frameworks, there is a clear requirement for a unified approach. Sitting down with Charles Hayter, CEO and Founder of CryptoCompare, he told me: "Daily, retail and institutional communities express an appetite to invest and develop investment products based on cryptoassets. Key to this is an independent, trustworthy taxonomy offering transparency, consistency and confidence."

“Initial back-tests showed how \$1 could turn into more money than the entire global economy in less than 5-years

when the superintelligence does emerge is anything but logical. Many people talk about Terminator and how AI could destroy the human race, but they do not back up this probability with math. In rebuttal to that I propose we think mathematically and logically, as the AI undoubtedly would. Let's look at what did happen in Terminator, the humans eventually win. Considering this fact AI would obviously decide that there is a non-zero probability that by attacking



Designed by Phill Snelling, Bowater Media

humans there is a chance it will be destroyed. I would also speculate and say that there is a lower probability of it being destroyed if it is kind to us, as undoubtedly the singularity would understand this. Therefore, simple math would tell us that it is just illogical to believe that AI will be bad to us or make our lives harder.

Now on to Blockchain, let's talk about the problems, because when I see problems I see money. The Bank of International Settlements came out with a paper outlining all the issues with blockchain recently and it was entirely accurate and to be respected. However, the blockchain reacted negatively to this paper as opposed to seeing oppor-

tunity. Whoever releases a cryptocurrency that addresses all the issues in the paper will have the next billion-dollar Blockchain and will overshadow even Bitcoin. Now I'm not going to talk about how you address every issue but I'll talk about one just to show that it is possible to address these issues. As of right now mining uses excessive

amounts of energy essentially to solve an irrelevant mathematical problem that has no utility other than just showing that it has been solved. Now imagine if we could use all this data analysis and energy usage and devise a way to draw utility from mining activities. I'm certain that with the right team in place we could even link it to AI and use

the computational power to run complex deep learning algorithms. One of the problems with AI is the power and computational ability is so expensive but we already have people in Blockchain doing it.

Considering we're talking AI and Blockchain we have now moved into the realms of Futurology and any good futurologist would have to spend a moment talking about simulation theory. There are those who believe we are living in a simulation, odd as that may seem. Indulging this idea, we ought to consider the nature of the simulation. We now have blockchain, so we must consider that any simulation is itself more than just a program that generates each subsequent moment, we must understand that if it is as advanced as futurologists claim it is, then it is highly likely the simulation itself is on a Blockchain. So every moment of your life and every thought you have ever had, has been recorded! Well, it's a theory - one that fits with Blockchain.

Let's move away from all this now and talk to you investing nerds. My company Caipital has developed strategies that initial back-tests showed how \$1 could turn into more money than the entire global economy in less than 5-years. Now that was based on historical data so that obviously couldn't happen but I wanted to say crazy things are possible. To give you guys a taste of what can happen when you think outside the box here is a simple early strategy I developed that shows how you can relatively easily turn \$100 into \$1,000,000 with minimal effort. So if you select the right instrument and it rises 190% without a drawdown of 20% you can make \$1,000,000 with no effort. Just simply open with 5X leverage, close the trade every 1% gain above the max and reinvest the gains and initial at 5X leverage also. You get exponential growth and after 190% you have \$1,000,000 in your pocket.

So that's a little insight into a few different topics, I hope you got some enjoyment and some value from it.

Benjamin Boyle, COO of Drive Markets and CEO of Caipital Investments

## Crypto A.M. shines its spotlight on Sensify

Sensify, a UK based company, has developed an Internet of Things software platform for connecting any type of IoT asset. The platform allows the customer to track, trace, monitor, verify and secure its assets in real time. Assets that can connect to the platform include RFID, sensors, telematics devices, inventory and machinery.

The IoT market is expanding rapidly. Forbes estimates it will reach a global value of \$450bn by 2020 with over 50 billion IoT devices connected.

As IoT devices proliferate, companies are faced with the problems of operating with multiple devices, IT Systems, Communication Protocols, Networks and Applications. The Sensify IoT platform allows companies to seamlessly manage these different systems on one unified platform. The Sensify IoT platform allows devices to communicate over any type of network whether that's SatCom, 4G, GSM, Wifi, Sigfox, LoRaWan or Bluetooth.

The Sensify platform offers multiple applications across many vertical markets including Asset Management, Supply Chain Visibility, Logistics, Sensorisation, Smart City Applications, Anti-Theft solutions and Security.

Sensify is an established business with both a developed product, customers, channel partners, a strong team and a large pipeline of over \$50m of business. The company works with well-known names such as SAP, Vodafone and Sage.

Sensify's customers currently use its platform for many applications including fleet management, retail inventory management and security, complex order picking and warehouse logistics, asset management in a large rental business and vehicle tracking across a national auto distributor.

The company has an exciting product development roadmap which includes adding Blockchain (Distributed Ledger

“Sensify is currently engaged with 80 customers looking to take advantage of IoT



Tim Horlick, CEO of Sensify Inc

Technology or DLT) capability to create a real-time audit trail of asset provenance and AI/Machine learning.

Sensify has a team of 30 people based in the UK, US and Spain. The company is planning to raise capital to add additional functionality to the platform and to build out the team including sales, marketing and development and to expand into new territories. Financing options include using

a blockchain based securities issuance platform. Allen & Overy is acting as legal advisor.

Tim Horlick, CEO said, "as companies embark upon their digital transformation, turning their physical assets into digital assets, Sensify is at the core of that market. We are currently engaged with 80 customers looking to take advantage of IoT to manage their business processes

more effectively."

Sensify has offices in UK, Spain and US. To learn more about Sensify go to [www.sensifyinc.com](http://www.sensifyinc.com).



## THE EMERGENCE OF MICROPAYMENTS AND IMPACT OF CRYPTOCURRENCIES

Meinhard Benn, Founder & CEO of SatoshiPay



Micropayments, generally understood as payments with a value less than £10, predate the advent of the Internet as they were initially conceived to pay the various copyright holders for compound work. Thereafter, several systems were proposed and developed in the mid-to-late nineties, all of which ultimately had little commercial success. A key problem that prevented the emergence of mainstream micropayment systems was the inability to keep transaction costs low; under the existing payment and banking infrastructure whereby providers charge base fees of 10-30p per transaction, therefore making it challenging for vendors to maintain a competitive micropayment business model.

Since that time, the micropayment industry has remained within small niches. Until now. The creation of Bitcoin and its underlying blockchain technology, a decentralised database of transactions that simultaneously exists on thousands of independent computers, has led to the second generation of micropayment systems. Using distributed ledger technology, SatoshiPay has built a system that allows users to make payments as small as 1p or below; these payments have no base transaction cost, making the micropayment industry competitive again.

SatoshiPay's blockchain based micropayment system is based on the Stellar network and uses its Lumens (XLM) as the underlying settlement token. Stellar

is currently the sixth largest cryptocurrency in the world by market capitalisation and its network offers stable, mature and cheap technology for low value transactions. SatoshiPay's web payment technology can be employed across a range of sectors to add additional revenue streams: monetising digital content for publishers, streaming videos and offering in-app or in-game transactions. Importantly, this latest technology makes transactions seamless; users can pay across platforms with a singular digital wallet without the need to create separate user accounts for individual websites. A new chapter in the history of micropayments is being written by SatoshiPay.



## GIBRALTAR INTERNATIONAL FINTECH CONFERENCE 2018

24th October QEII Conference Centre in Westminster

The Gibraltar International FinTech Forum in London is bringing together internationally recognised and respected speakers from around the world to investigate and discuss the very latest developments in the world of Blockchain, DLT and tokenomics.

This year's event will be officially opened by the Gibraltar Chief Minister, the Hon. Fabian Picardo and will be presented in partnership with GBX Gibraltar Blockchain Exchange.

Join us at this free to attend event to be held at the QEII Conference Centre in Westminster on Wednesday 24th October to find out more as we showcase Gibraltar as a FinTech hub.

Agenda, Sponsors, Registration and speaker details can be found at [www.gibfinlondon.com](http://www.gibfinlondon.com)

Gibraltar is now the leading Blockchain and Distributed Ledger Technology (DLT) jurisdiction in the

world. It is the only jurisdiction in the world with an operational DLT regulator and is currently introducing a regulatory framework for token sales. Regulation is undeniably the future for tokenomics and Gibraltar is the global leader, giving operators, investors and customers the certainty they require.

The Gibraltar International Fintech Forum (GibFin) is the primary symposium for the Gibraltar DLT Ecosystem and GibFin London is now bringing that forum to the QEII conference centre in the centre of London, giving the widest possible audience the chance to join the global visionaries who are forging the DLT future and to experience Gibraltar's world leading DLT community

The principal sponsor of GibFin is the Gibraltar Blockchain Exchange, [www.gbx.gi](http://www.gbx.gi). Book tickets at [www.gibfinlondon.com](http://www.gibfinlondon.com)



## TOKEN INTELLIGENCE

Surviving the next web environment

When most people think about blockchain technology they tend to think first about Bitcoin, cryptocurrencies, their volatility, bear and bull markets and trading. This focus is a mistake for anyone who wants to understand the implications for the future - including the future of the internet, so business and society - and likely their career options.

Neither is a direct focus on the tech itself any better. Yes it's helpful to have at least a passing understanding of what a blockchain (or tangle etc) is and how it works, that it brings together tech from peer-to-peer computing with military strength cryptography, timestamping and tamper-proofing techniques and adds a consensus mechanism where everyone is overwhelmingly incentivised to keep the rules. But neither is this the point. Or even a productive focus.

If you want to know how it will affect you, your career or your business - and you should, every bit as much as Kodak in 1998 - you'll need to understand what it makes possible that was not previously possible. Not in its entirety, but for you, your field, sector or market.

Not just in isolation. What matters

are results, and if the new combines with the established to produce something transformative then no matter that purists may scoff. If this is Darwinianly fitter then it will win. As we've seen time and again since the advent of the web.

This time around we have a model. We can look back twenty or so years to before the Internet became (as I then predicted) the mainstream and see that it has been transformative because it has created new tools (although plenty of those too) but an entire new environment in which information, contacts and relationships flow in ways that were never before possible. It's also worth noting that they were all, or at least mostly, possible 'in principle' - but they never could nor would have happened in the way they have, and not at scale.

So if you understand only one thing about this revolution let it be this: It will encompass both you, your world and the company you work in or for. In much less time than the last time our environment changed. We are well past the point of no return. There's no going back. The big question is: What will we, and you, make of and with it?

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