

# CRYPTO A.M.

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

PARTNER CONTENT

## CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER



Welcome to the first edition of Crypto AM and I hope you had a wonderful festive period and rang in the New Year and for this new and exciting decade - one in which AI, Blockchain and DLT will surely flourish!

On 3rd January Bitcoin (BTC) turned 11 years old and it's a timely reminder to see how it has performed over the last 8 by charting the year-on-year annual lows: 2012 - \$4; 2013 - \$65; 2014 - \$200; 2015 - \$185; 2016 - \$365; 2017 - \$780; 2018 - \$3200 and 2019 - \$3356. What is abundantly clear is that, despite all the naysayers, BTC continues on its upward trend.

The crypto market has opened its 2020 account in a positive fashion and inevitably the spectre of potential conflicts in the Middle East has played its part with BTC at the time of writing trading at US\$7,534.19 / GB£5,743.48; Ethereum (ETH) is at US\$140.73 / GB£107.51; Ripple (XRP) is at US\$0.2197 / GB£0.1664; Binance (BNB) is at US\$14.65 / GB£11.18 and Cardano (ADA) is at US\$0.03609 / GB£0.02757. Overall Market Cap is at US\$203.84bn / GB£154.90bn (data source: www.CryptoCompare.com)

Since launching Crypto AM, I have attended a number of regular London meet-ups and viewed other resources that have been created by leaders in the wider blockchain space. Given this is the 'back to school' edition I thought you might like to know about some of them:

Amazix is the blockchain industry's leading full-service consultancy. Amazix is now publishing free educational materials to help teams to navigate the challenges of the crypto winter. Their new webinar covers bear market investor trends and how to capture funding have a look via <http://webinar.amazix.com>

On Yavin's Cointelligence Academy is hosting monthly cryptocurrency meet-ups in London. The first one will be Thursday 16 January at WeWork Labs at 6:30PM. This free event is a great chance to network with crypto enthusiasts and for further info in the events section [www.cointelligence.com](http://www.cointelligence.com)

Erica Stanford has turned the Crypto Curry Club into one of the UK's highest rated networking events for professionals in crypto, blockchain, fintech and emerging tech. January events with spaces left are 20th Jan dinner on AI & blockchain for the future of payments and 29th Jan lunch on 'How to Start a Bank'. Email [hello@cryptocurryclub.com](mailto:hello@cryptocurryclub.com) for details

Jonny Fry of Team Blockchain hosts a series of monthly events in London where guest speakers form a panel and give a keynote. They are very worthwhile to attend and can be found through <http://teamblockchain.net>

Obviously I organise regular Crypto AM events, as well as London Blockchain Forum seminars in association with City AM. I will keep you informed about forthcoming dates right here!

The new decade comes with a technology power shuffle. Gone is Deep Learning, which hit the buffers a good year ago. Whilst the band is still playing, its seemingly relentless journey into our lives will be continued only by befriending something altogether different. Driving that change may be one of the true stars of the 20s: blockchain. Blockchain is all about gluing lots of individual contributions together without having to argue about which bits are where and in what order. Nobody has a list of these things that's any more important than anybody else's, and the whizz-bang technology driving blockchain provides a way of reaching consensus as to what goes on that list without it turning into a fight.

From an outsider's perspective, it's easy to believe that blockchain is only about crypto-currencies and digital money, but that does it a huge disservice. There are those, either deliberately or through ignorance—who focus on this one application—money—and value it above and to the exclusion of all other applications. Usually, but not always, the target for these afflictions is bitcoin. This is a mistake.

When you look at what blockchain does, delivering self-service trust and a shared, growing global state, it starts to look like a tool for almost everything. Even more so, when you consider the built-in incentive scheme makes it more profitable to play nice than not. Restricting this to digital money misses the point. It applies to all forms of value exchange, and drives the ability to intelligently connect value providers, many of which are currently incredibly wasteful. Take IoT devices: utilisation is poor, devices are incompatible, insecure and they cannot talk to each other in a common language. At present, there is no incentive for fixing any of this. While everyone is finding elaborate new metaphors for just how much electricity is burnt shaking the dice for bitcoin's proof-of-work (which'll change soon anyway), they're missing the irony that it may well be bitcoin's underlying innovation—the blockchain itself—that provides the most dramatic saving of



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energy that technology has ever delivered short of switching it all off.

Blockchain is the foundation piece, the cornerstone, the very fabric that allows the world's things to find each other, talk to each other and transact on a private, scalable network where nobody needs to believe anyone in order to trust what's going on. The decentralised incentives that make it a no-brainer to connect knowledge, data sources and things to such networks also deliver the power and collective intelligence to make it work. Now, we can bring the individual components of the economy to life, in a world that is owned by all its users, that adapts in real time to bring everyone together,

free of borders, restrictions and centralized control. Business can get done. There's a long way to go. We're all familiar with the annual rolling out of the "this year will be the year of the Linux desktop" phrase. The smiles brought on by this betray an underlying issue: like Linux, blockchain and its surrounding technologies are hard, and decentralisation comes without the support and attention to detail that mere mortals need. The technology and its benefits are challenging to understand, and can appear unwelcoming and frightening. If this slammed-door approach continues, we collectively stand to lose a lot: and for those of us who understand the potential of decen-

tralisation, it's grim to watch centralisation of blockchain ooze into place in front of our very eyes. Part of the blockchain adoption problem is the community's continued baflement that people don't get it. It's all well and good to say that bitcoin and blockchain let you be your own bank and control your own identity, but not everyone wants that responsibility, or understands why that's better than what they already have. Do you want to be your own hospital? Fire station? No, you do not. Good technology is just there. It's in the background, invisible, it has safety nets and it helps you get things done better than if it was not there. Blockchain can and should be

able to provide this, because delivering properly incentivised disintermediation resets the Internet back to where it was: decentralised, with value and power pushed to you, rather than a rapidly shrinking number of increasingly vast corporations. It's the thing that lets us operate at scale, eliminate wastage by fully utilising the value around us, and it is the perfect partner for machine intelligence and learning—a collective intelligence owned by everyone, for the benefit of everyone. Of course, blockchain's public relations have not been particularly brilliant. Between the OneCoins of this world, horror-show ICOs and general in-fighting, it's a fair observation that

decentralisation may bring trust, stability and agreement to a global data structure, but may not deliver a stellar marketing campaign. In spite of this, blockchain has long since been embraced by businesses, finding its way into supply chains, finance, asset management and so much more. The corporate world needs professional support and proper service-level contracts: they want someone to call when it goes wrong. For everyone else, we want ease-of-use, interoperability and a more mature space that recognises that innovation didn't begin and end with Satoshi Nakamoto's 2008 bitcoin paper. We're at the start of something far grander that will touch all of our lives: life is no longer a zero-sum game—it's a dynamic, building-block based economy that adapts in real time to suit a changing world.

So welcome to the new decade, where companies such as Fetch.ai are combining technologies like autonomous agents, blockchain and AI to decentralise how we extract value from the world around us. No data, device, service, person or knowledge will go unused or unappreciated: a fitting combination of technology that's kinder to the environment, and provides each and every one of us something we had cleverly eased out of us over the past decade: ownership of ourselves and our stuff. The future may not have delivered holidays on the moon or flying cars, but it has delivered something even cooler: it has made co-operation and sharing pay.

© Toby Simpson, Co-Founder & CTO of Fetch AI in conversation with James Bowater. Toby is @prezelsnake on Twitter, and his blog is at <https://medium.com/@toby.simpson>. Further information can be found at <https://fetch.ai>

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## CRYPTOCOMPARE MARKET VIEW

### Bitcoin Makes Strong Start to 2020

Bitcoin has entered 2020 with its right foot forward: the cryptocurrency's price is already up 3% since the beginning of the year, trading at the time of writing at \$7,540. Ether, the second-largest cryptocurrency by market cap, is doing even better, up 5.26% since crypto has entered the new decade, while total cryptoasset market capitalization has surpassed \$200 billion due to these gains. One dynamic possibly behind the price performance is the growing number of on-ramps, with leading crypto trading platform Binance adding six new trading pairs with the Euro at the start of the year. Over the past few weeks, Binance has added trading pairs for the Euro, the Russian Ruble, the Turkish Lira, and the Nigerian Naira, all while letting its users buy Bitcoin and Ether with over a dozen currencies.

Binance isn't the only company adding support of late for the cryptocurrency ecosystem. Payments firm Square, a company founded by Jack Dorsey, has

listed a job ad on LinkedIn that suggests it's looking to grow its Bitcoin-related services on the Cash App. These may include peer-to-peer "BTC gifting" and an auto-investing feature. The ads, however, clarify that the project manager hired will have freedom to grow cryptocurrency adoption via the app in "whatever ways" they see fit.

Other industries are beginning to get involved in crypto internationally, with Burger King slowly starting to accept cryptocurrency payments. In Venezuela, one location is accepting BTC, ETH, USD, DASH, and BNB, with plans to expand adoption to 40 locations. In Slovenia, at least one location has been shown accepting BCH.

The new year also started out with the chief economist of the Nasdaq-listed lending marketplace Lending Tree, Tendayi Kapfizo, asserting that he believes bitcoin to be a pyramid scheme—claiming that "you only make money based on people who enter after you."

## CRYPTO A.M. INDUSTRY VOICES

### Tower of Babel: The State of Cross Border Payments and Blockchain

Interoperability, whether you're talking about technology, financial systems, or user experience, remains a crucial gap for blockchain, with our broken, siloed chains of virtual machines that don't work very well in their own respective systems, never mind in their ability able to talk to each other.

As with the technology, the same could be said of the promise of a global, decentralized, and trustless marketplace: our age's Tower of Babel is made up of countless stakeholders and all their respective needs, each with their own systems, blindly trying to find each other through Byzantine global commerce.

Interoperability is crucial to the usefulness of any technology. An yet, we've failed to produce products, services, or a superior customer experience at a low cost that encourages mass adoption.

This is what happens when everyone presumes the preciousness of their own babies in bubbles, without thinking ahead as to how to grow that child responsibly to be of service in this world. Whether they're cars or protocols, they need roads, and rails, to get to customers, or at least enlist customers to show them what doesn't yet exist, but what could be. But then, who pays for it? Ironically, the tech built on the value of a trustless system has yet to find a collaborative yet decentralized framework.

Payment systems are the greatest opportunity to onramp those alienated from the global economy towards mass adoption. We can't talk about banking the unbanked, financial inclusion and creating the 4th industrial revolution until we figure out how to make it easier for people to trade and get paid easier, faster, and a lower cost globally through tools that can cut across legacy infrastructure, and systems.

A user-friendly wallet is a good start, but hardly a new global economic system. A single payment network can't han-

dle the vast increase in terms of usage and regulatory constraints affecting the different stakeholders in world trade. This we know through the failure of globalization 1.0.

Since the rise of the global economy in the 1950s and the fall of the Berlin Wall in 1989, several networks, often American, emerged with a catch-all response to the need for trade 'beyond borders'.

But a one-size-fits-all concept poses persistent problems linked to exchange rate snags and government regulatory limitations, and to the network itself. Who shares the responsibility in the value chain when a transaction fails? Some global network have adapted to different practices such as e-commerce or proximity shops in retail or wholesale. But these systems are not present in all countries, in all currencies, and for all applications.

China forbids the use of Visa/Mastercard networks for buying or selling. The Chinese Yuan is partially convertible despite many regulatory constraints, but the Chinese government prohibits (or inhibits) foreign companies - especially American ones - from entering the market.

This is an untenable position. Protected markets tend to fall behind or lose relevance over the longterm. Some players adapted and increased the number of technical methods and local entry points as well as additional financial processes: 'Go local to go global'. And the local can be as personal as your local grocer turned into a bank kiosk, or the mobile device as a mall.

To grasp this brave, new economy, the payment industry must teach users not to underestimate the payment factor as part of the international development project we call the data-driven global economy. Too often, payments is seen as a mere detail. But also, payment companies must wake up to reinvent themselves, and take risks to enlist regulators, and enterprise with vision.

# Crypto A.M. shines its Spotlight on Changelly

Changelly provides a non-custodial, instant cryptocurrency exchange service, which means that no user funds are held on by the service. Changelly acts as an intermediary between crypto exchanges and users, offering access to 150+ cryptocurrencies. The company's mission is to make the exchange process effortless for everyone who wants to invest in cryptocurrency. Operating since 2015, Changelly attracts over a million monthly visitors who enjoy the high limits, fast transactions, and 24/7 live support the service offers. Changelly has an intuitive interface, superb exchange rates, secure transactions, and it's super quick, one can sign up in less than a minute with just their email address.

Changelly is giving back to the community in 2020. For the whole month of January, Changelly users will benefit from the 'zero network fee' campaign. Customers will be able to swap and

exchange crypto at a floating rate, having to pay just a single transparent fee of 0.25%, while all other third-party fees including network fees will be paid by the company.

Changelly also provides users with the chance to swap crypto using a fixed rate, both on desktop and mobile. While the user will not be utilising the 'zero network fee' campaign on fixed rate basis, as it is

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Eric Benz, Founder & CEO of Changelly

only for floating rate exchanges, users who want to receive the exact amount of cryptocurrency displayed to him/her at the beginning of an exchange, regardless of rate fluctuations can utilise this method

of exchange seamlessly. Changelly has also upgraded its product with their new self-developed SmartOptimizer algorithm. This custom-built tool selects the best rates on the

market, offering Changelly users the best value for money when swapping and exchanging crypto.

This new innovative feature further demonstrates Changelly's dedication to providing its users the best possible rates as the company continues to consistently develop new exchange algorithms and improve its existing ones. It also aids in offering an overall better customer experience to Changelly users.

With this new campaign and feature, customers can choose a crypto pair they would like to exchange, make use of the best rates possible for their crypto swap, accompanied by Changelly's superbly low, transparent 0.25% service fee and swap their crypto instantaneously. And since the network fee is on Changelly, users can get more crypto from their money's worth!

The insurance industry has made great strides in moving away from paper towards digital formats for data collection, storage and processing. However, they still lack trust. Making a claim may start with a phone call, but will often require multiple pieces of supporting information to move through the process of evaluating and ultimately settling the claim. All too often, data submitted as part of a claim is lost, incorrectly entered or somehow "stuck" in the system. In other situations,

For more information check out: [www.changelly.com](http://www.changelly.com)



## INSURANCE AND BLOCKCHAIN

Troy Norcross, Co-Founder Blockchain Rookies

Claims. Assessments. Adjustments. Payouts. Reinsurance. Underwriting. The insurance industry is layered, complex - and filled with opportunities to provide support where trust is lacking. And where trust is lacking, blockchain can add real value. The insurance industry has made great strides in moving away from paper towards digital formats for data collection, storage and processing. However, they still lack trust. Making a claim may start with a phone call, but will often require multiple pieces of supporting information to move through the process of evaluating and ultimately settling the claim. All too often, data submitted as part of a claim is lost, incorrectly entered or somehow "stuck" in the system. In other situations,

potentially fraudulent data is used to support a claim providing no way of identifying the source of information. When recording a claim on the blockchain, all of the relevant information is accessible. Information submitted by one person can be verified or validated by another person. The identity of the provider and verifier of the data are stored on the blockchain, making audit trails easier. A byproduct of this transparency is that it can discourage fraud. A cross-industry claims blockchain can provide a rich source of data. Artificial intelligence can identify patterns and improve risk assessments. Individuals and businesses can refer to the system to support their record of having made no claims. Regulators can access the

system to ensure sufficient compliance. Reinsurance companies can ensure that policies are packaged and vetted appropriately. Utilising smart contracts, insurers can even automate payouts. There are numerous companies currently working to provide blockchain solutions in the insurance space. Today most of them are still acting as intermediaries trying to charge a fee for their services, e.g., they aren't blockchain companies. The real opportunity is for the industry to work together to build a multi-party blockchain.

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