

The most important from the world of NFTs

NFTSY

digest #09

Envelop (NFTSY) Community
March, 2022



Introduction

As ENVELOP is developing the Protocol, the Oracle and the Index for NFT markets and related industries, we decided that it was foolish to simply hoard the material collected and partly analyzed: much better to share it. So here is **Digest #09**, as it should be in the IT systems report, where you will find everything about the NFT & DeFi bundle, the prospects for NFTs, and much more. Enjoy reading!

Main study

[Building Expansive NFT Universes: CCO, Fidelity, & On-Chain Bundling](#). NFT creative universes are undergoing an exciting phase of wild experimentation: emphasising free IP, new economics, and remixing. As these universes develop, there's three key components that can help foster success:

1. **Permissive licensing**, primarily in the form of Creative Commons Zero (CC0). This allows creative remixing with upsides for both the original and derivative.
2. An emergent focus on **low fidelity + metadata** that ignites the imagination. Lower fidelity invites remixing into higher resolution interpretations.
3. By categorizing metadata into on-chain bags, projects can **direct expansion through bundling**.

All these components combine to form wholly new kinds of media franchises.

1 Legitimacy & the CCO NFT Flywheel. Owning the NFT is separate from the copyright of the referenced image. In many cases, copyright is retained by the original creator regardless of what happens to the NFT. This usually restricts the NFT holder to only being able to enjoy the ownership of the reference. The owner is not allowed to use the referenced image in any other way, particularly not commercially. The value is derived from what the NFT represents and the immutable timestamping engine of the blockchain helps to legitimise a specific reference. There are various 'signals' that are codified such that it makes it desirable to own even though the token is separate from the reference.

While the image itself is (usually) immutably codified and adds a large proportion of desirability, it's also very important as to who "signed off" on the NFT. Much of the value is derived because it is a blessing of legitimacy through timestamped cryptographic signatures from specific people: it's all about "[the signature](#)". It's a focal point engine that keeps and embeds social relationships through time towards cultural objects. This entire engine of legitimacy building towards ownership of signed cultural objects also empowers derivative works.

Historically, derivative work creators would usually have to be content with

1. not being able to commercialize the derivative IP, and
2. not being able to own any upside they send upstream (derivative works send attention upstream into potential revenue streams for the original creator).



For the original creator, allowing derivatives also means they are okay with losing control over both potential revenue and creative control. Poor derivative works can also cause negative outcomes for the original creator.

These incentives still exist for derivative works using NFTs with traditional copyright, but the alignment becomes stronger if the original creators allow for free commercialisation of the IP. With NFTs, there's a stronger value alignment for positive incentives because: **the derivative creator can now earn upside not just from their derivative work, but also from the success they send upstream to the original. Counterintuitively, by allowing more ready access to participate financially, creative commons zero becomes more lucrative.**

The original creator would prefer this too, because 1) subsequent secondary sales can earn them royalties, capturing the increase of the value sent upstream, and 2) they get more attention and clout that could be harnessed for future works & sales (originals or derivatives). The flywheel is as follows:

1. Person A creates CC0 content.
2. Sell NFT #1 of CC0 content to person B.
3. Person B decides to create derivative CC0 content.
4. Person B sells derivative NFT #2 of CC0 content to person C.
5. Person C loves the derivative work a lot and decides to buy original NFT #1.
6. Thus: Person A gets royalty from sale. Person B gets revenue from sale of derivative work + sale of original NFT. Person C is a happy collector.
7. Person C decides to create derivative work of NFT #2 or NFT #1... (rinse, repeat).

2 Expansion through Fidelity & Metadata

Sometimes, the lower the fidelity of the object, the more it allows for remixing and reinterpretations. To invite play and expansion, it's easier to do so when the canonical reference is open to interpretation. Take a look at Chainrunners for example. One of their own expansion packs aims to increase fidelity from their canonical reference.
<https://www.chainrunners.xyz/xr>



These, in many ways, are what NFT gaming **could** look like. There's been legitimate critique from the gaming industry that you can't just re-use NFTs through games, because that's just not how games work. That's true, but it doesn't matter, because with 1) CCO, and 2) lower fidelity at the base level, the use of the NFT in gaming is all about merely reinterpreting the canonical image/file. Some projects just merely give you access to additional files that could be used in games, but even then, it's not even necessary. But, the image above shows that a remixed work doesn't need to rely on the canonical file/image if it's CCO.

The value comes from reinterpretation, and the reinterpretation is easier if the canonical reference is low fidelity. It's not absurd to imagine that future NFT projects will simply make their canonical release just their traits and the first derivative being some visual accompaniment. Now, where there is usually only 1 starting collection, there would be 2.

► Properties



ACCESSORY

2 Attributes

20% have this trait

ACCESSORY

Knitted Cap

4% have this trait

ACCESSORY

Normal Beard B...

3% have this trait

TYPE

Male

60% have this trait



The only outstanding issue is the issue of losing creative control. Thus, this flywheel isn't apt for **all** creative works. Some projects are willing to let go of creative control to the chaos, some aren't. You can still see this tension in some permissively licensed projects like Fluf World (that isn't CC0).

BUT. Avatars are only one direction that invites specific kinds of expansion. There's still large categories of expansion that's wholly unexplored. I think it's necessary that avatars were first, but from here on out, it will expand. A key component that plays into the metadata-first approach is to bring the metadata layer on-chain. Currently, for many projects, the metadata exists separately. It's an API for expansion, but only in a web2.0 way. It doesn't exist in the same substrates. A world of NFTs whose metadata exists on the same substrate can allow for more broad cross-pollination and allow for the directing of expansion in specific directions.

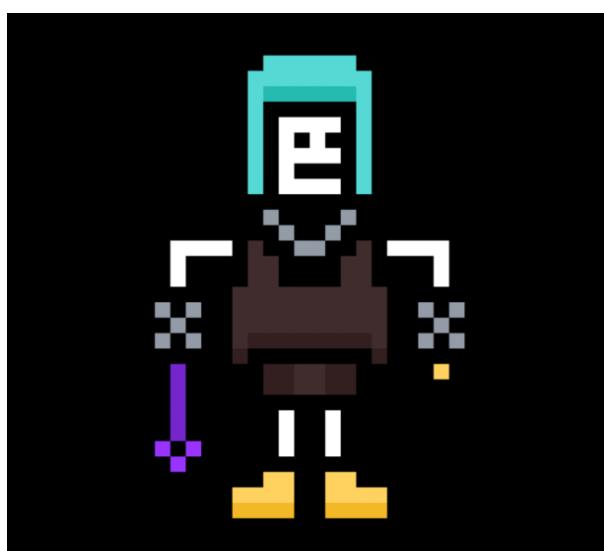
One such variation (beyond) avatars, is the bag. Let's finally look at Loot and Dopewars to showcase how it uses all these components to build expansive NFT universes through CC0, low fidelity, and directing expansion into specific areas.

Loot took the current PFP craze and made it pure metadata. It's all about the traits. The canonical reference is just a bag of text. *"Stats, images, and other functionality are intentionally omitted for others to interpret."*



<https://opensea.io/assets/0xff9c1b15b16263c61d017ee9f65c50e4ae0113d7/3949>

It directs expansion by not specifically having a canonical image. People have created their own interpretations. Loot Character allows you to mint an accompanying NFT image.





[Hyperloot](#) is an up and coming interpretation.

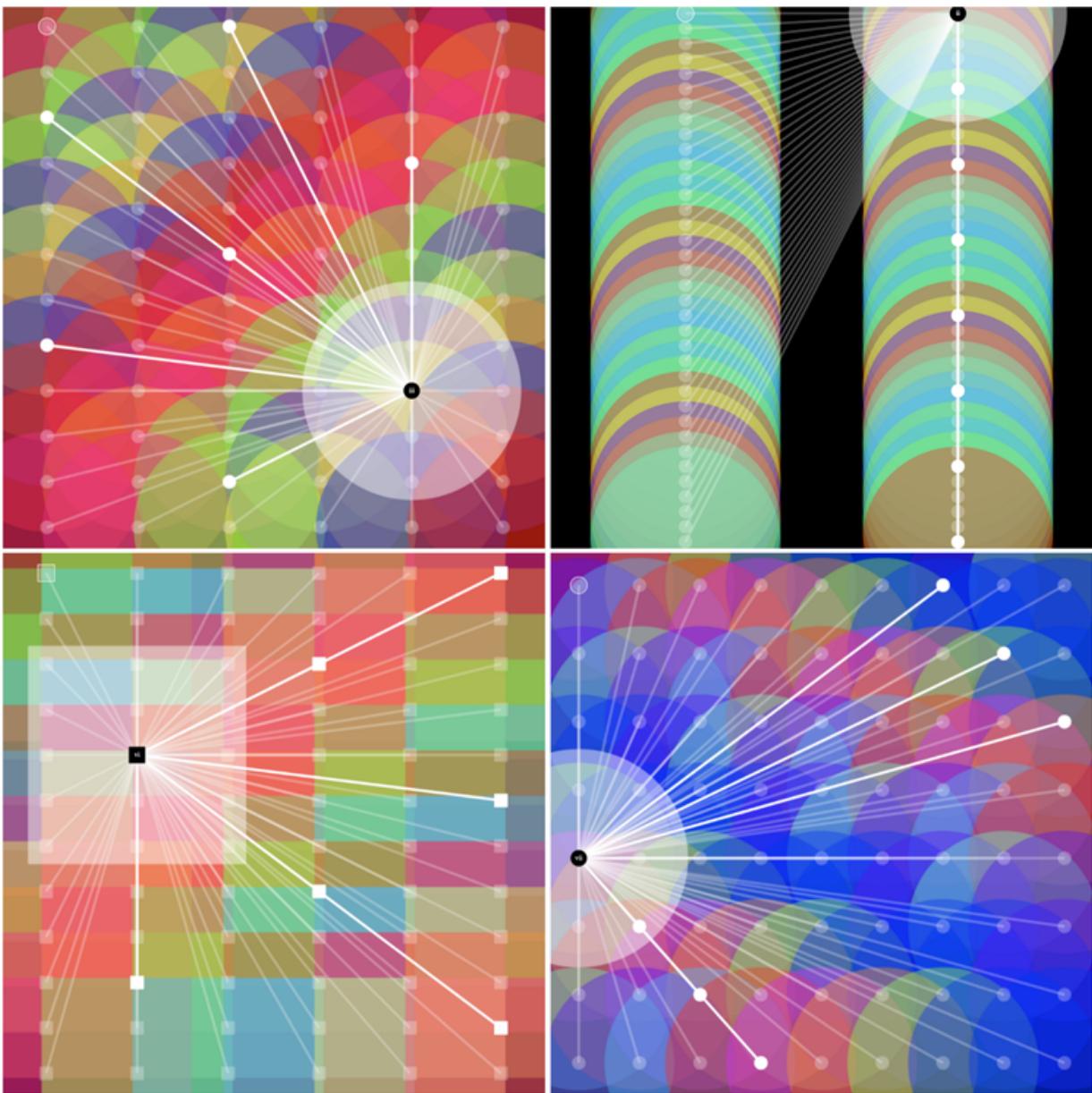
Here's where it gets more interesting besides just consuming the contents of the "bag" into a direct representation. Because the traits are on-chain, other NFT projects can use it for their own derivatives: these projects are only possible because the metadata is on-chain.

Loot style bags are a great example of how this can be all combined to create expansive universes: CCO IP, low fidelity canonical NFTs, and direct expansion through bundled bags and on-chain metadata.

Even in the NFT space, the idea of a metaverse where there is one canonical representation is out of date. Almost all of them combine the NFT with their canonical interpretation. eg, the NFT of a Cryptovoxels (It's metadata) shows you the traits of the plot. BUT. It doesn't show you what's in it and secondly, it links to off-chain metadata. You can't consume this information on-chain. To me, the future of a "place" for NFT universes will primarily be a consumable, on-chain bag, first. It will probably look more like Loot Realms than Cryptovoxels. The interpretation of the experience will rely on specific UIs (or "viewers"). **The world will primarily be metadata and the rest will be interpretations. If there's any meat to the term "metaverse" these days, in truth, it will be a pluriverse of metadata.**

The bag is an example of directing expansion by categorization, but there's likely more categories here that we have not explored yet. The true metadata "plot" would be one: a way to add/build/expand on a piece of land. There are ways to combine and recombine specific kinds of NFTs here that's still unexplored. The "book" might also be an interesting metadata bundle. Primarily, as time goes on and more metadata moves on-chain, we can track and bundle events into specific "books". There could also be new kinds of "books": stories that could be told through on-chain events.

[Takens Theorem](#) is notorious for highlighting and connecting on-chain events into NFTs. In their project, "the mesh", (see [digest #08](#)) your NFT changes based on what historical projects you own (yay shared substrate!), and based on how it relates to all other NFT holders in the mesh. Posting to these artistic networks also changes everyone's NFTs. This is a start. In this case it's an art project: a visualization of the shared, public substrate we are all timestamped into. What does this look like as an expansive storytelling universe: avatars being linked back to their old pasts and each other? Tenet, in the blockchain?



These questions will be tested in time, but at the very least it provides fertile ground for emergent culture.

Projects news and updates

In this section we will very briefly talk about the projects we have encountered over the previous month. Maybe you will want to get involved in some of them; maybe you will want to tell us about some of them; maybe you will find some overlaps with ENVELOP and let us know about them. We do not publish in the order of appearance or alphabetical order, but as the projects came across to us:

1. [Global music brands Billboard and Universal Music Group are partnering to launch ChartStars, an NFT based project of digital collectibles built on the Flow blockchain.](#) This is Billboard's first scalable NFT project geared toward music fans. The collection will be comprised of artist-focused digital artwork that celebrates the achievements and milestones of the Billboard Charts. The items will feature officially licensed art including short visual clips from music videos and album photos.



2. LUKSO Ecosystem review [part 1](#). The **LUKSO Standard Proposals (LSPs)** are the ecosystem's building blocks, implemented with smart contracts. [ERC725: Blockchain-based Identity](#). The standard introduces **contract-based profiles for humans, machines, organizations, or anything else that requires an identity**. This profile can be updated and is designed with a minimalistic and modular approach to enable interoperability and future development. The standard is a base for anything that needs to **store public and verifiable information about itself** while still functioning like an EOA. The [ERC725 Account](#) is a smart-contract-based profile that aims to increase functionality and user-friendliness within the blockchain ecosystem. It further specifies the relatively basic ERC725 standard by **combining expendable smart contract storage with EOA functionality and the ability to verify signatures**. Users can also manage the smart contract from multiple EOAs or other smart contracts using a [Key Manager](#), which means private **keys will now be exchangeable**. It enables the transfer of profile control without revealing your private key, creating room for **user-friendly backup systems** with multiple recovery methods. As described in the setup of the [ERC725 Account](#), interoperability while exchanging data from the key-value store can be difficult without common standards. The [Storage Schema](#) introduces a **unified method of storing information** to achieve readability from accounts. The structure is used in many LSP smart contract standards. Combining the [ERC725 Account](#) and the [Storage Schema](#) enables contract-based user profiles to be readable and writable in a standardized way. Universal Profiles are the first use case on top of LUKSO's account standard. They represent interoperable profiles and can interact peer-to-peer with anything on the blockchain. [Universal Profile Metadata](#) defines a set of attributes developers can add to an ERC725 Account to transform into a profile with images, names, tags, and descriptions.

The [Digital Asset](#) specification is a token standard for fungible and non-fungible tokens. It is based on [ERC20](#), which Fabian Vogelsteller proposed in 2015 for fungible tokens, and improves on ideas from [ERC777](#) and other standards, like [ERC223](#). The standard offers ERC725Y based metadata abilities, allowing these tokens to benefit from **standardized information storage**. It provides functionality for sending tokens on a user's behalf and doing **batch transfers**.

Unified storage for such uniquely minted assets is also expanded with the [Digital Asset Metadata](#) standard. Each NFT can **feature its own set of metadata**, verifiable on or off-chain. In contrast to the standards today, where only the NFT contract contains the pre-defined metadata, a [Digital Asset](#) NFT can be linked to another ERC725Y metadata smart contract, allowing tokens to refer to their own smart contract logic with customizable metadata. Such new NFTs deliver more flexibility and upgradeability. NFTs can also carry the history of their previous metadata upgrades to simplify fetching processes. In this next generation of NFTs, called **NFT 2.0**, games and services can utilize this standard to design assets with **rich metadata readable by smart contracts**. Individuals can also use NFT 2.0 technology to connect assets with new communities and payment streams. For example, accounts could participate in trade profits or unlock additional features based on the hold duration of the assets. The [Identifiable Digital Asset](#) standard also includes batch transferability, allowing users to move a more significant number of token IDs



in a single transaction.

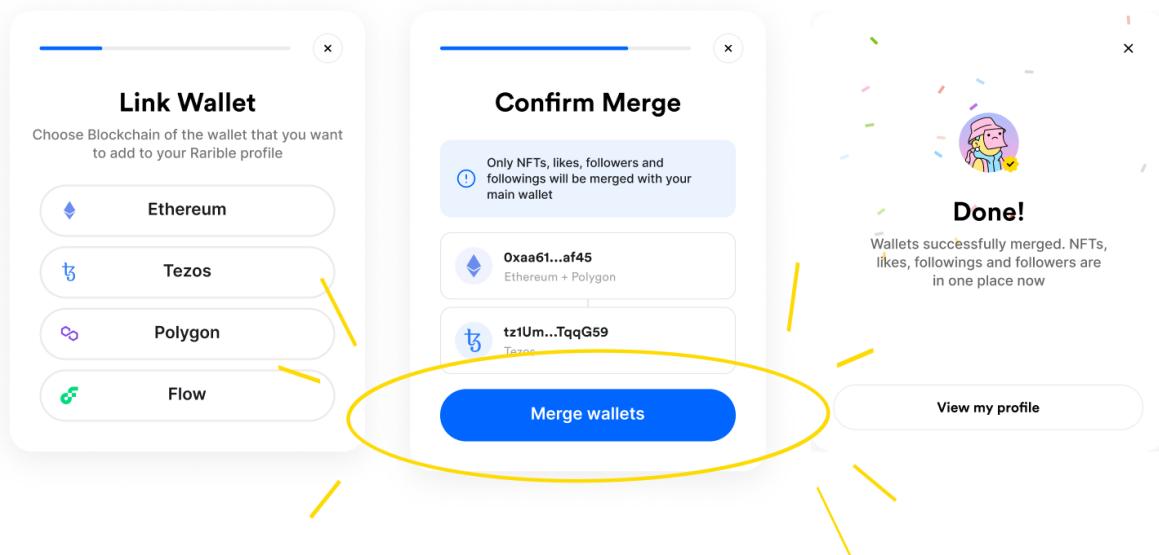
Future standards will allow NFTs to be marketplaces themselves, allowing buying and selling of the NFT at the smart contract level. Such a standard would remove traffic and logic from third-party platforms that introduce additional fees and pose security risks. In combination with the possibility to receive and reject, services can raise security to an even higher level. It also allows fee-sharing between the many creators of an NFT. Items that pay for themselves or act based on intrinsic code could also be a massive enabler for games in the metaverse. Builders could even connect such actions with oracles (portal services to the outside of a blockchain), so real-world events can trigger specific behaviors on-chain. The functionality will benefit creators and builders, as royalties or assets can be automatically transferred or edited this way.

3. [The Securities and Exchange Commission \(SEC\) is investigating whether certain non-fungible tokens qualify as securities and thus should be regulated.](#) Over the last few months, SEC attorneys have sent subpoenas to NFT creators and various crypto exchanges requesting more information, according to the report. A particular focus of the probe are fractional NFTs, in which a token is broken down into many units that are sold separately, according to the sources.
4. [Bored Ape Yacht Club creator buys CryptoPunks and Meebits.](#) Yuga Labs now controls three of the most valuable NFT collections on the market. Yuga Labs is also acquiring more than 400 CryptoPunks and 1,700 Meebits from Larva Labs as part of the deal.
5. [Bored Ape startup plans virtual land sales, APECoin token to kickstart metaverse gaming project.](#) Yuga Labs, the business behind the heavily hyped Bored Ape Yacht Club NFT collection, is hoping to raise hundreds of millions of dollars by selling off virtual plots of land. The virtual land sales are the first phase of a metaverse initiative that aims to diversify revenue away from selling ape-based NFT images. Yuga is planning to build a gaming-focused metaverse named MetaRPG that will be compatible with a host of NFTs. There will be a system – described as an “in-game app store” – that will allow players to create characters using NFTs they own or from scratch, outfit them (again with NFTs), and use them in games. Another crucial component of the proposed world is currency, which Yuga will provide in the form of a much-rumoured token named APECoin. The token will be used to make purchases in Yuga’s planned app store, and the company said in its deck that it will also encourage “trading and bartering.” In total, 200,000 plots will be distributed across two sales in March and August this year – and Yuga hopes to raise \$178 million (in addition to secondary sale proceeds) from each sale.
6. [@makemytrip, India's biggest online travel company has launched its own travel-based NFT collection](#) on @ngageNFT, which is powered by Polygon
7. [A new innovation is entering the Secret NFT ecosystem: fractionalization.](#) Secret NFTs will be fractionalized using a secret contract that generates a set number of tokens linked to the indivisible original NFT. These fractional tokens give holders a percentage of ownership of the NFT with a variety of unique use cases. For fractionalized Secret NFTs to be built, development of a standard across the ecosystem must be built. This standard will provide developers with the specifications and a base contract to use as-is or as a starting point for their applications. A funding proposal to do exactly this was just passed



on-chain! The development of the fractionalized NFT standard is broken down into three milestones:

- ❖ Ability to fractionalize SNIP-721 tokens
 - ❖ NFT collection and trading fee royalty capabilities upgrade - giving the ability to fractionalize a collection rather than just a single NFT
 - ❖ Cross-chain fractionalized Secret NFTs: bringing privacy-preserving NFTs to other chains
8. [Patrick Collins, Developer Advocate on the Chainlink protocol. Founder and CEO of Alpha Chain shared All On Chain Generated NFT](#). This is a repo that shows 2 things:
 - ❖ **How to create NFTs with metadata that is 100% on-chain**
 - ❖ **How we can generate random art on-chain using the SVG method**
 9. [HSBC, one of the world's largest international banking and financial services providers, and The Sandbox, today announced a new partnership](#) that will open up a host of opportunities for virtual communities across the world to engage with global financial services providers and sports communities in The Sandbox metaverse. The groundbreaking partnership between The Sandbox and HSBC will see the global financial services provider acquire a plot of LAND, virtual real estate in The Sandbox metaverse, **which will be developed to engage and connect with sports, esports and gaming enthusiasts.**
 10. [XP Network Teams up With IoTeX Making Its Unique Geo-Location-Minted NFTs More Sellable](#). IoTeX-minted NFTs, some of the most unique in the industry, are now more sellable because the blockchain-powered IoT-centered startup teamed up with XP Network to enable a bridge for the collectible digital assets across Ethereum, Binance Smart Chain, and Polygon.
 11. On Wednesday, March 23, TIME will release the [first-ever fully decentralized magazine issue available as an NFT on the blockchain](#). The NFT issue features TIME's cover story, The Prince of Crypto Has Concerns, on Vitalik Buterin's fight for the future of Ethereum by Andrew Chow, editor of TIME's Into the Metaverse newsletter. The issue is created in partnership with the LITDAO. LIT is a web3 cultural currency and NFT project that conceived and created the first fully decentralized book earlier this year. The magazine will live on the blockchain but is hosted through a decentralized protocol allowing holders to read the magazine in its entirety through an interactive NFT. TIME will airdrop the NFT issue to select TIMEPiece and genesis LIT community wallet holders, which was made possible with the support of Circle.
 12. [You can now add wallets from any Rarible-supported blockchain to one Rarible profile where you can see and manage all your NFTs](#). A Multi-wallet profile supports up to 20 wallets connected to any blockchain available on Rarible.com. So whether you're using multiple chains or if you've got a vault wallet and a hot wallet, you'll find the new feature useful. As you merge wallets your NFTs don't move, they'll still be stored in their respective wallets.



13. The Aavegotchi team has announced a release date for the much anticipated Gotchiverse virtual world. The official launch of the 3D virtual gaming space will take place on March 31st. With the launch of Gotchiverse, Aavegotchi collectors will get even more play-to-earn opportunities. Most importantly, this will be a shared virtual space for all Gotchi fans.
 - ❖ The revolutionary factor in the way Gotchiverse works comes from simultaneously showing the same environment to all players. While traditionally, virtual worlds rely on showing each player a copy of the environment to avoid unnecessary strain on the network, Gotchiverse will circumvent this practice. Instead, the platform will be supported by hundreds of servers worldwide, so that all players who enter Gotchiverse are actually shown the same version of the game. Importantly, this structure will support the gameplay in Gotchiverse.
 - ❖ Gotchi Lending is the Aavegotchi Protocol's sharing economy, that allows users to lend their Aavegotchi NFTs out to other players for a set period of time. The owners of the NFT are able to set any up-front fees, the duration of the lending period, and the earnings split. Gotchi Lending is 100% on the blockchain, allowing for the seamless, trustless, and secure sharing of Aavegotchi NFTs.
14. [A crypto island where fiat is not allowed is making waves: Modular homes under construction, NFT citizenship applications and a promise of a decentralized future](#). Founders have already received "50,000 applications for our free Citizenship NFT, acting as a whitelist to enter our Land NFT sale, while also permitting the holder to live on the island with many other benefits." An NFT marketplace is currently hush-hush. Every home will be an NFT, or a "Satoshi Island Land NFT," which can be traded. For the traditionalists, NFT holders can "turn their digital rights into physical documentation on the official land registry of Vanuatu." The NFT marketplace is imminent while building the physical island development is underway. A "private opening" of the island is planned for quarter four this year for short-term visits. By early 2023, NFT homeowners will "be able to begin residing on the island."
15. The Abu Dhabi Global Market (ADGM) published a consultation paper titled "[Proposals for enhancements to capital markets and virtual assets in ADGM](#)." The document contains preliminary recommendations that cover NFT trading, among other asset classes. The document proposes allowing companies



licensed by the free zone financial regulator to facilitate NFT trading. Financial Services Regulatory Authority (FSRA), describes NFTs as intellectual property rather than “certain investments or financial instruments.” It also proposes allowing multilateral trading facilities (MTFs) and Virtual Asset Custodians (VACs) to operate NFT markets.

16. Infrastructure for events emitted by contracts on NEAR. It allows applications to react instantly to transactions happening in realtime. As an example <https://nft.near.stream/> tracks live NFT mints.
17. [Zilliqa ready to launch metaverse-as-a-service \(Maas\) platform, Metapolis.](#) Metapolis will officially launch on April 2 at an event at the Frost Science Museum in Miami. Highlights of Metapolis include:
 - ❖ Built for interoperability – open teleportation between Metapolis cities ensures it is a connected metaverse with no digital boundaries.
 - ❖ Advanced gaming engines – Unreal Engine and Unity are used, ensuring that every location is visually engaging as well as fully operational.
 - ❖ Prioritization of user safety – Metapolis is built with Know Your Customer (KYC) checks and policing to ensure the highest level of security.
18. [OpenSea Partners with CoinTracker to Simplify NFT Taxes.](#) Purchasing, selling, and earning royalties on NFTs are taxable events. NFT collectors are subject to capital gains taxes if they earn profits from these activities. Accurately computing your NFT taxes requires users to track cost basis (how much you paid for each NFT), sales price of the NFT, and correctly account for gas fees and transfers. All you need to do is add your wallets and exchanges and CoinTracker generates your NFT and crypto tax calculations.
19. [An EOS plugin to Transform any game to a Blockchain Game](#)
20. [OpenSea set to integrate Solana in April](#)
21. [Visa has launched a creator program to help artists grow their businesses with NFTs.](#) The program will eventually help Visa develop NFT commerce products

Do you know more projects about the NFT? Send them to us:
https://t.me/envelop_en

Special review

From March 1-21, artists, gamers, developers, activists, crypto and non-crypto people can come together on **WeAreMillions Event**.

[We Are Millions - Liberate data day](#) and specially [Converting Web2 apps to Web3](#)

[Web3 demo day](#) of the We Are Millions Hackathon and Festival was dedicated to demos from different Swarm grantee projects building in Web3 and using Swarm as their decentralised storage solution. You'll find time-stamped videos for each corresponding talk

[We Are Millions - NFTs, AI and art in the metaverse](#)

[We Are Millions - The qualification round of the Nordic Game Discovery Contest Season VI](#)

NORDIC GAME. Show everyone your game. You get more kudos if it uses decentralized technology, is permissionless and censorship-resistant. If you plan to add decentralized components to it and don't know how and



want to start a discussion, then WAM is where you wanna be.

[We Are Millions - Panel Pwned: Web3 and the gaming industry](#) with Tadej Fius (Resistance / Fair Data Society), Laurence Philip (Win.com), Mick (Merit Circle), Petra Wilson (Zombie Orpheus Entertainment)

[We Are Millions: Closing Event - Exit through the DAO](#). Hackathon prizes winners

Ethereum Rio 2022 is a regional event with a global outlook. We are building both a creative hub for regional projects with big ambitions, and a gateway for brands to connect with LATAM blockchain communities.

11-20 March 2022 - Rio De Janeiro. Location - Museu do Amanhã & Fábrica de Startup.

Keynote speeches:

[How to Build a streaming app and mint NFTs](#) • Shannon Wells

[NFTs and physical pieces](#): how I live the present, how I imagine the future! • Rejane Cantoni, Metaverse Agency

[NFTs experiences](#) • discussion with Antonio Neto, FTX; Nicolau Mello, Visual Artist + Ethereum.Rio; Paula Klien, Metaverse Agency; Guto Martino, Hathor Network; Moderator: Fesq

[10 Growing as a DAO MakerDAO Lessons Learned](#) • Corina Dolghier, MakerDAO

[DAOs & Governance experiences](#) • discussion with Julien Bouteloup, Stake DAO, BlackPool, Stake Capital; Corina Dolghier, MakerDAO; Jose Couto, Harmony; Valeriya Minaeva, 1Inch; Moderator: Angela Ocando, Platzi.

Other videos [you can find here](#)

ETH Austin is a gathering of ETH folks from the Southwest. The goal is to bring together the local community & have fun.

DATE: March 17th - 18th, 2022

LOCATION: 2824 Real St., Austin, TX 78722

[Growing the Pie - an Ecosystem Approach to Value Creation](#) by @TheTakenUser (Memes, Vibes and Collaboration, Aragon Project)

[Moving Towards a L2 World: An Ethereum Base Layer. Scaling Roadmap](#) by ansgar.eth

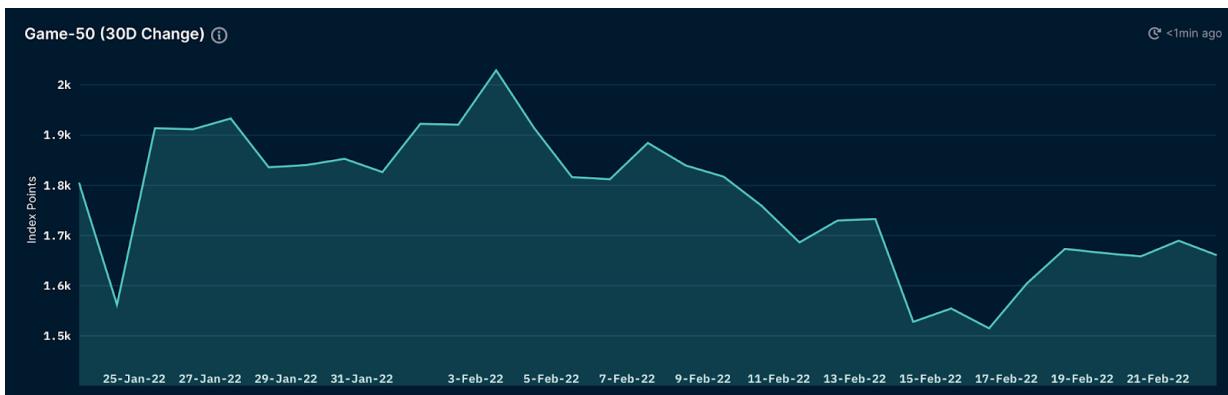
Analysis

1. [Nansen Introducing Nansen's new NFT indexes](#):

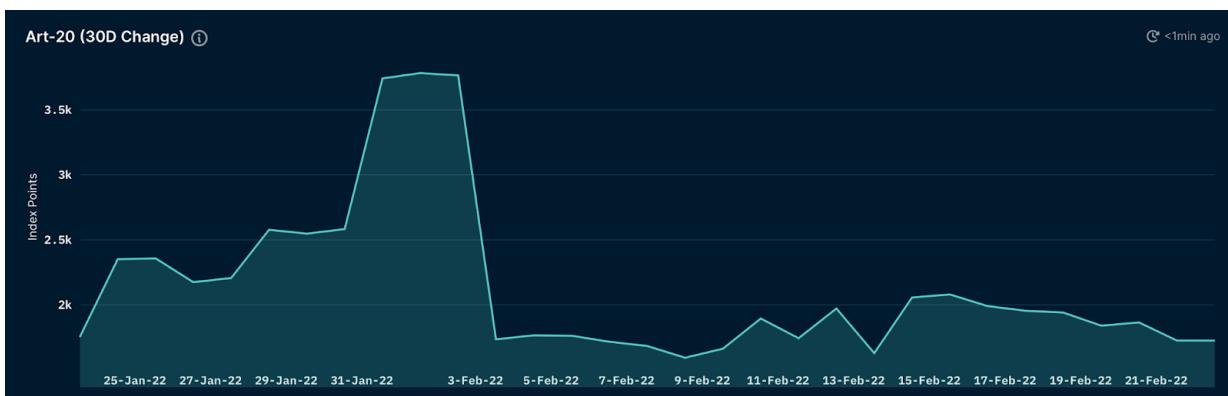
- ❖ NFT-500. The NFT market moves rapidly, and there is no readily available metric to track the broad NFT market activity. Having identified this gap, Nansen designed the NFT-500 index as a benchmark index to track the NFT market activity. NFT-500 consists of the top 500 NFT collections, weighted by market capitalization. It represents an average of 85.4% of the daily market volume since 1 January 2022.



- ❖ Blue Chip-10. Building on the success of the original Nansen Blue chip index, the Blue chip-10 index now tracks a collection of ten notable NFTs.
- ❖ Social-100. We observe that part of the motivation behind the ownership of a profile picture NFT is users connecting and interacting with others from a community. This social aspect of NFT is not limited to just profile picture NFTs. We recognised similar social drivers in other sub-categories of Social NFTs such as 'Access & Membership' NFTs and 'Utility' NFTs function as Decentralized Autonomous Organization (DAOs).
- ❖ Gaming-50. The Gaming-50 NFTs index includes the top-50 Gaming NFTs by market capitalization. It includes Gaming NFT collections such as Play-to-Earn games NFTs, Game-Fi (gaming with Decentralized Finance elements) NFTs, and Role-Playing Game NFTs.



❖ Art-20



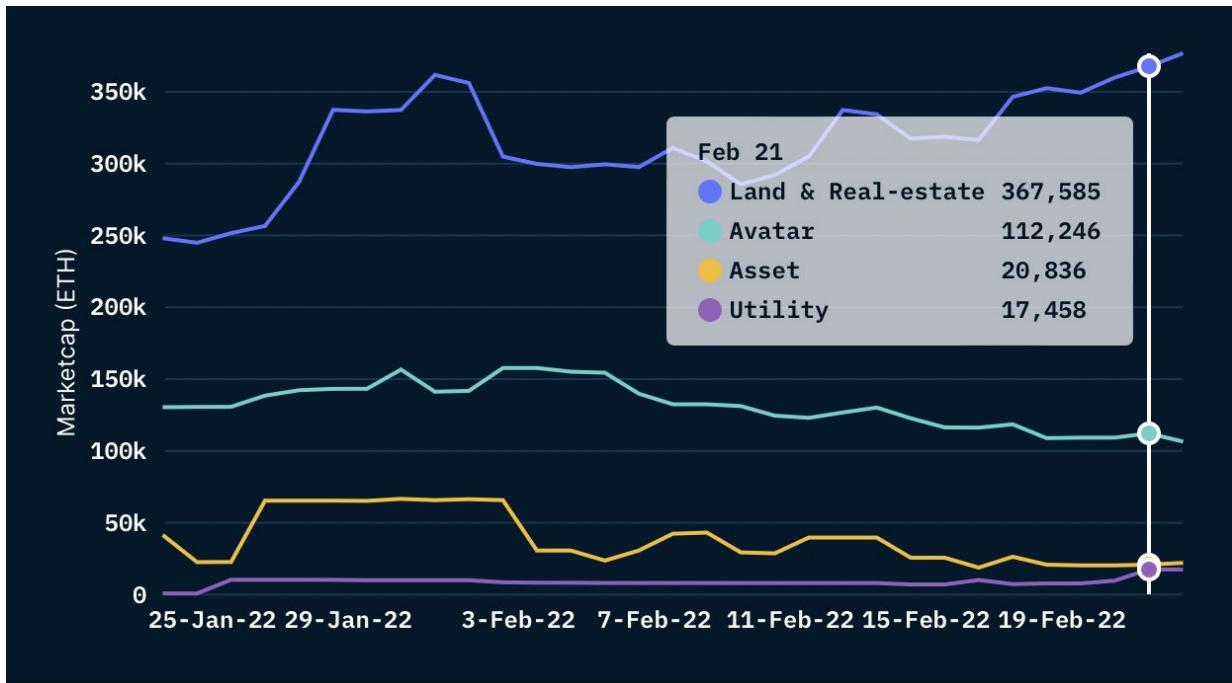


- ❖ Metaverse-20. The Metaverse-20 NFTs tracks Metaverse related NFTs such as 'Avatars', 'Assets', 'Land & Real-estate' and 'Utility'. It consists of the top 20 Metaverse NFT collections weighted by market capitalization.

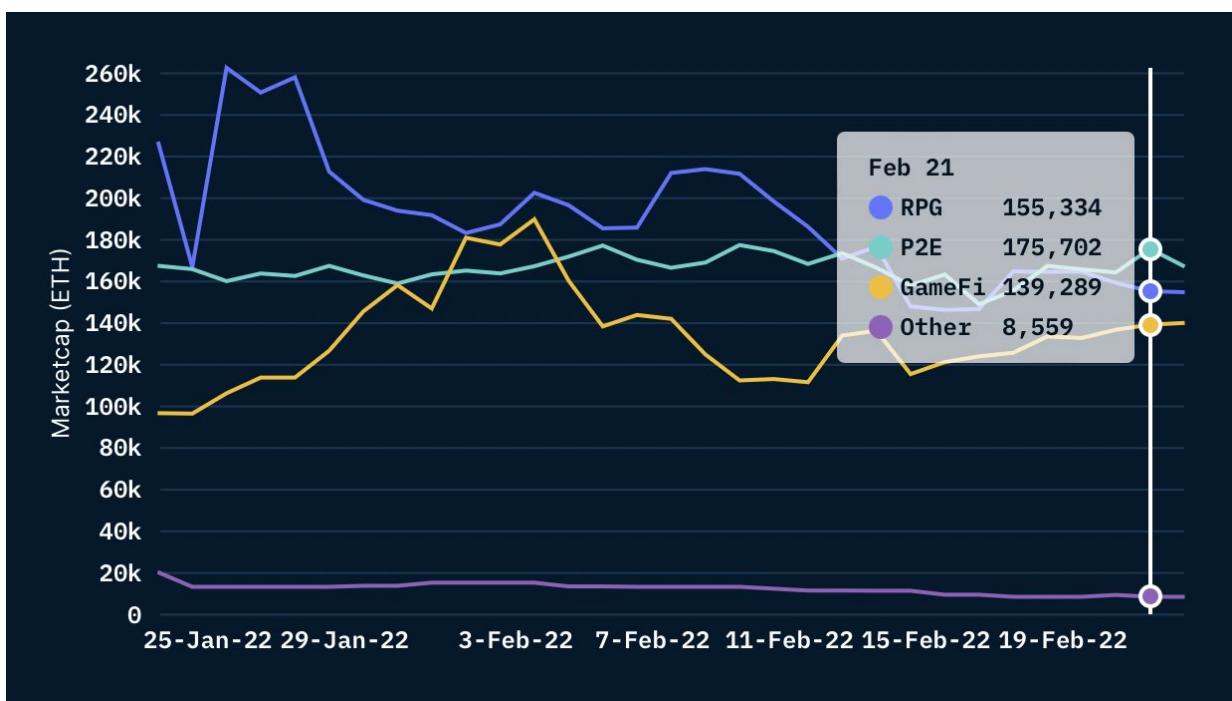


Social and Metaverse NFTs are less volatile, as shown in their daily market cap

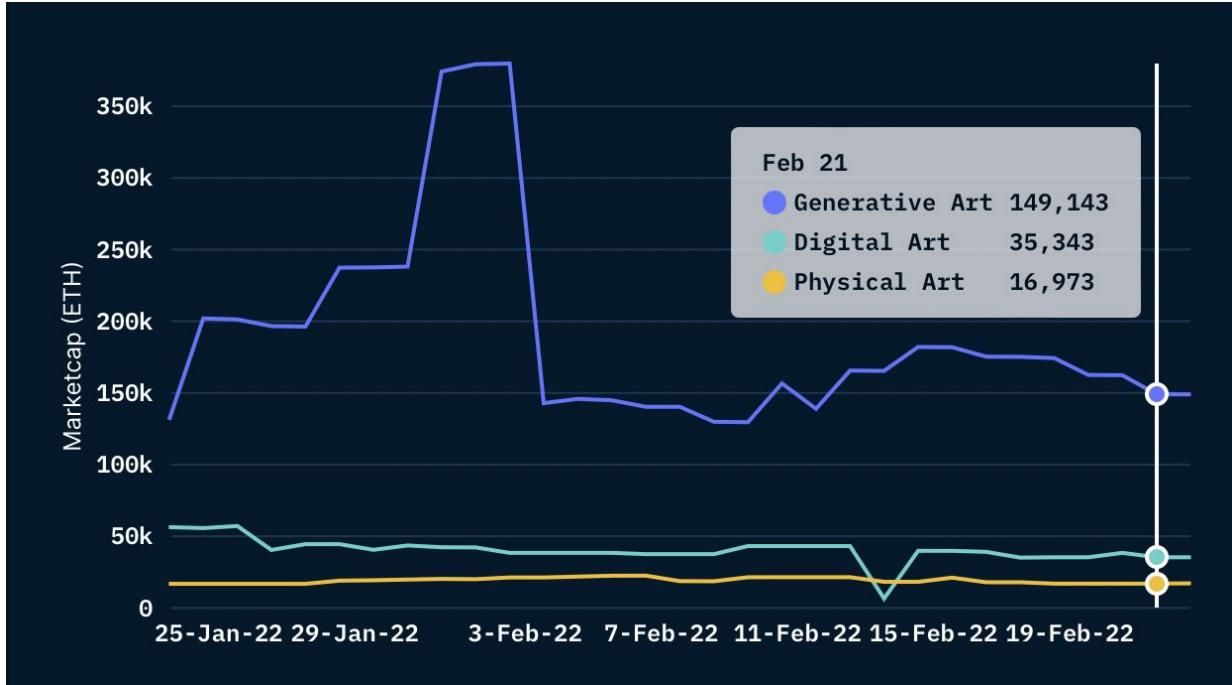




Gaming NFTs are underperforming in the last 30 days when compared to other NFT categories. The Gaming-50 index reflects a 30-day return of -9.1% as of 21 February 2022.



Art NFTs are relatively more volatile. Given that art pieces are often smaller in supply with slower transaction activity, investors may find it challenging to obtain information about Art NFTs when investing.



2. [Metaverse Monthly Summary 2022-02](#)

Cryptovoxels:

- ❖ Dramatically decrease: Total Visits, Avg Price(USD/ETH), Secondary market turnover
- ❖ Rise slightly: The number of parcels sold in the primary market, Mint Total
- ❖ Stable: New Parcel Owner Total, Primary market land sales, The number of parcels sold in the secondary market

First Class	Second Class	Total	Added in Feb.	Added in Jan.	Feb. vs Jan.	Conclusion
Visits	Total Visits	20,662,919	666,043	1,141,351	-42%	Dramatically decrease
Parcel	Island Total	33	1	2	-50%	A large island added in in 2022-02
	Parcel Total	7,336	395	402	-2%	
	Parcel Area Sum(SQM)	1,447,200	208,279	40,430	415%	
	Parcel Owner Total	2,183	129	131	-2%	Stable
Trade	Sold Total in Primary	6,496	263	163	61%	Increased substantially
	Sold Total in Secondary	3,726	152	150	1%	Stable
	Sold Sum in Primary(USD)	15,569,809	1,483,180	1,123,411	32%	Increased substantially
	Sold Sum in Secondary(USD)	20,926,061	912,984	1,589,688	-52%	Dramatically decrease
	Avg Price in Primary(ETH)	-	1.99	2.34	-15%	Dramatically decrease
	Avg Price in Secondary(ETH)	-	2.13	3.25	-34%	Dramatically decrease
	Avg Price in Primary(USD)	-	5,266	8,851	-41%	Dramatically decrease
	Avg Price in Secondary(USD)	-	5,637	11,293	-50%	Dramatically decrease

Decentraland:

- ❖ The average price of independent land rose slightly, while the average price of land in Estate was basically stable.

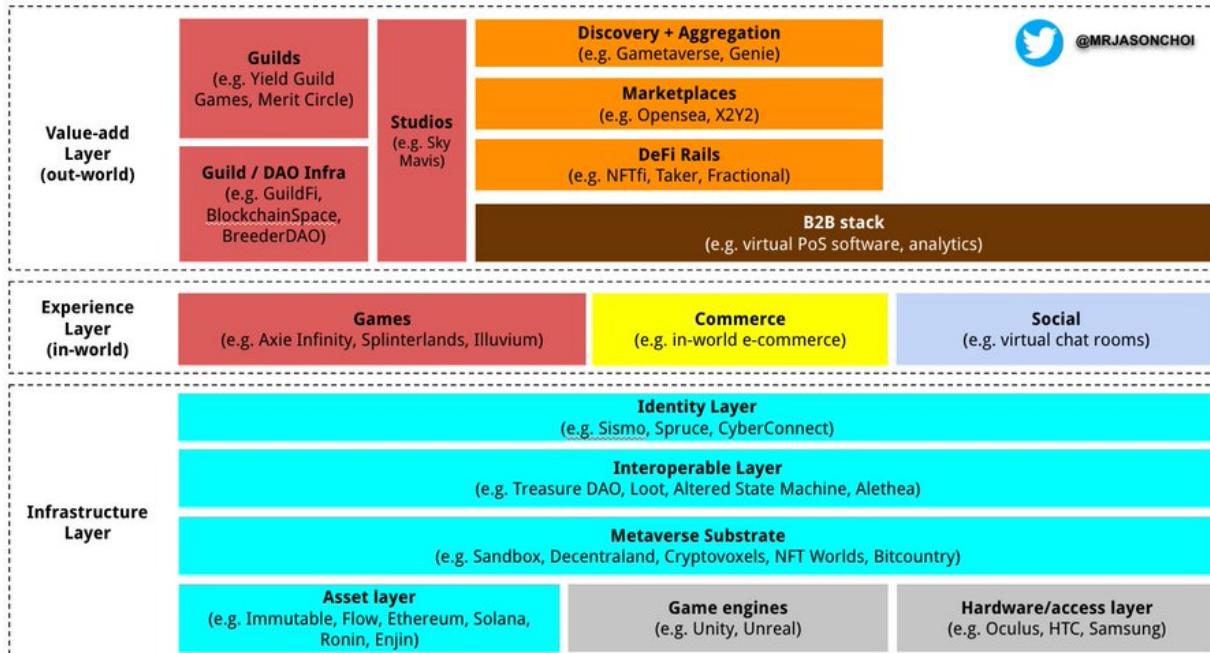


- ❖ The number of new landlords, the sales of Land/Estate, the number of transactions and other indicators have dropped significantly.

First Class	Second Class	Total	Added in Feb.	Added in Jan.	Feb. vs Jan.	Conclusion
Owner	Owner Total	6,428	140	307	-54%	Dramatically decrease
	Land Sold Total	8,249	244	465	-48%	Dramatically decrease
	Land Sold Sum(USD)	1,384	54	70	-23%	Dramatically decrease
Trade	Land Avg Price(USD)	-	18,207	16,580	10%	Slight increase
	Estate Sold Total	-	18,172	18,471	-2%	Stable
	Estate Sold Sum(USD)	51,267,986	4,442,595	7,709,804	-42%	Dramatically decrease
	Estate Avg Price(USD)	58,208,106	7,788,671	9,778,548	-20%	Dramatically decrease

3. [Jason Choi, General Partner @TheSpartanGroup](#) - "Web 3 metaverse" refers to digital virtual worlds, often with some element of user-ownership via tokens or NFTs. Every project we came across fell into one of 3 categories:

- ❖ Infrastructure
- ❖ Experience layer (in-world)
- ❖ Value-add layer (out-world)



A common analogy for metaverses = games. The more appropriate one is Layer 1s. Like L1s, they are platforms on which developers create experiences + services. While the addressable market for open-world MMORPGs is sizable, my view is that the largest metaverse will encompass far more than a game. Similar to "Fat Protocols", the winning metaverse substrate layer will be worth far more than any individual app. A few projects have already been building a generalized substrate for this vision to play out, but we're probably 5-10 years away from the thesis completely maturing. How do you get users to join an empty virtual world?

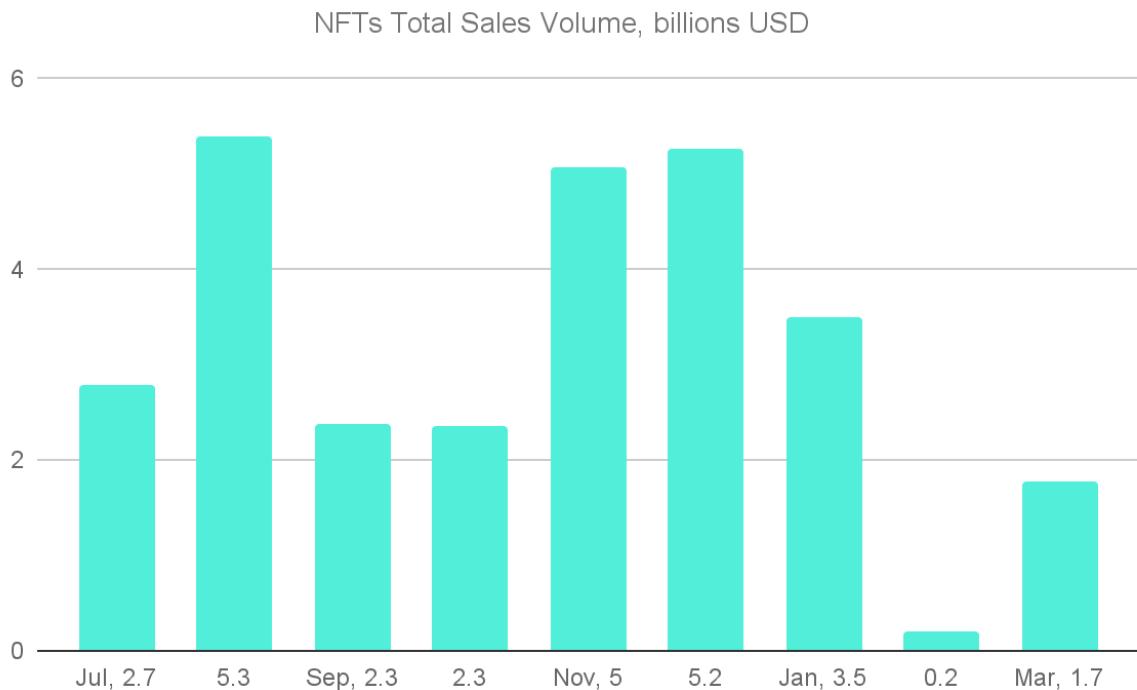


- ❖ One solution we've seen is to lower barrier for creating in-world experiences. e.g. [@nftworldsNFT](#) uses Minecraft, instead of Unity - to create their worlds. This taps into a behavioral suite that >130M MAUs already are familiar with.
- ❖ Since most virtual land owners are still passive speculators, world renting will catalyze development as well. Users could rent out land for dev shops to build in return for a fee. This is currently done in-game with [@nftworldsNFT](#), but can be generalized via new DeFi rails.
- ❖ A third common solution we see is specialization. Instead of starting a generic metaverse, some teams choose to bootstrap within a niche community. e.g. [@Cryptovoxels](#) began as an art-focused metaverse, but there's no reason why it can't expand into other domains.

On bootstrapping - most of the metaverses we came across raise capital via a token sale or land sale. My initial hunch was that at maturity, lands should be worth more than the in-world transactional currency. Today, this is not the case surprisingly.

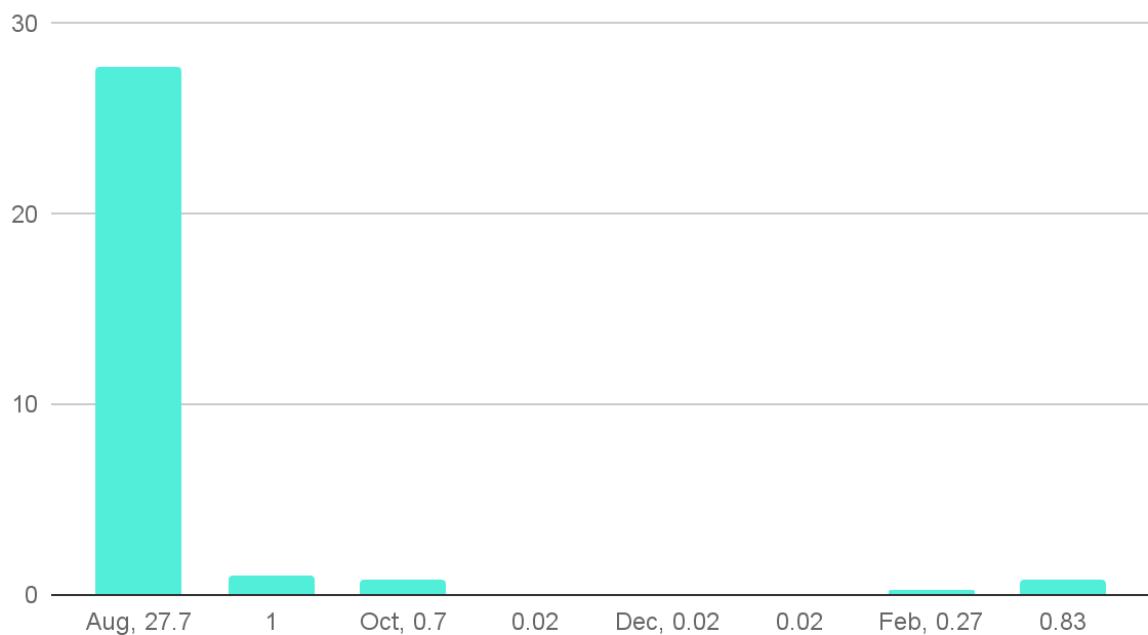
4. [The NFT Starter Pack: Tools for Anyone to Analyze NFTs](#) from a16z. The code we share below shows people how to pull NFT data directly from the source, and transform it in a way that's more familiar. Our hope is that this will help lower the barrier for people who want to analyze NFT data. Having spent a lot of time going down the NFT rabbit hole, even I found it surprisingly difficult to export the most basic data associated with a collection - such as all token transfers, historical sales, and each underlying item's metadata (including rarity scores, which indicate how rare certain traits are across different categories within a collection).

Keys





NFTs Total Sales, millions



Source: <https://coinmarketcap.com/nft/>

NFT Collectible Rankings by Sales Volume (30 days):

February

	Collection	Sales	Change (30d)	Buyers	Txns
1	Azuki	\$171,956,345	⬇️ -12.09%	2,475	4,247
2	Bored Ape Yacht Club	\$161,455,676	⬇️ -39.15%	427	507
3	CloneX	\$132,632,722	⬆️ +4.18%	1,646	2,589
4	Karafuru	\$109,314,134	⬇️ -0.00%	7,859	12,089
5	CryptoPunks	\$107,644,502	⬇️ -7.85%	178	310
6	Mutant Ape Yacht Club	\$105,881,186	⬇️ -50.95%	1,316	1,609
7	Axie Infinity	\$86,849,920	⬇️ -31.96%	282,048	1,230,469
8	Crabada	\$73,509,447	⬆️ +74.52%	3,211	29,733
9	Cool Pets	\$73,319,444	⬇️ -0.00%	13,498	18,201
10	HAPE PRIME	\$71,065,827	⬇️ -3.76%	2,553	3,926



March

	Collection	Sales	Change (30d)	Buyers	Txns
1	Bored Ape Yacht Club	\$218,136,279	▲ 35.78%	550	739
2	Mutant Ape Yacht Club	\$150,093,568	▲ 29.58%	1,803	2,525
3	Azuki	\$92,977,281	▼ 45.55%	1,327	2,089
4	CryptoPunks	\$79,789,155	▼ 25.63%	227	360
5	World Of Women Galaxy	\$68,944,495	▲ 0.00%	8,464	13,194
6	CloneX	\$58,171,888	▼ 54.95%	936	1,262
7	CyberBrokers	\$57,213,673	▲ 0.00%	6,345	13,581
8	Crabada	\$51,414,559	▼ 32.15%	4,240	46,637
9	Meebits	\$45,550,767	▲ 117.62%	1,673	2,797
10	MURI	\$43,337,806	▲ 0.00%	14,099	23,697

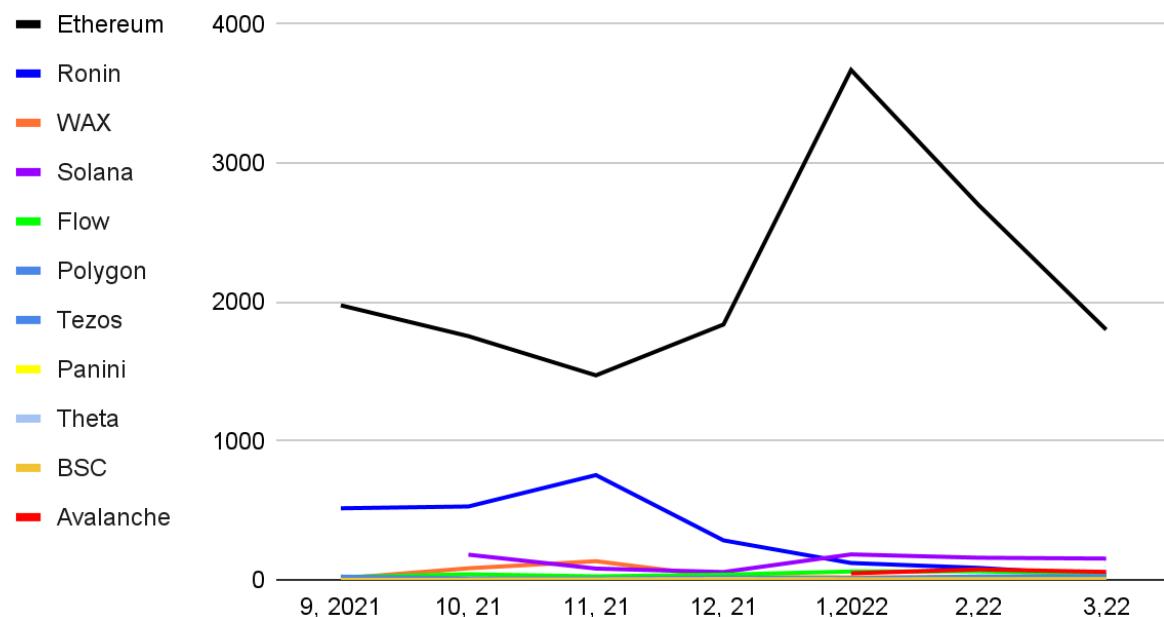
Axie Infinity continued its downward and ranked 12th in March with \$31.6 million in sales and 154,000 buyers

Blockchains by NFT Sales Volume (30 days)



	Blockchain	Sales	Change (30d)	Buyers	Txns
1	◆ Ethereum	\$1,801,831,382	▼ 36.00%	232,982	833,619
2	▬ Solana	\$153,065,964	▬ 11.62%	78,836	348,494
3	● Avalanche	\$57,269,224	▬ 28.39%	10,698	63,131
4	■ Flow	\$42,655,606	▬ 30.96%	51,163	1,423,063
5	■ Ronin	\$31,673,023	▬ 63.48%	154,688	654,393
6	○ Polygon	\$26,778,012	▬ 45.07%	16,281	34,087
7	● WAX	\$11,888,434	▬ 51.56%	46,327	1,415,254
8	▬ Arbitrum	\$7,877,812	▲ 395.16%	3,716	13,808
9	● Cronos	\$3,231,147	▲ 115.93%	1,244	3,203
10	● Panini	\$2,849,292	▲ 4.76%	1,903	91,802
11	◆ BSC	\$2,789,998	▲ 141.92%	4,670	20,688
12	● Tezos	\$2,137,744	▬ 12.20%	11,403	116,511
13	◆ Waves	\$715,659	▬ 67.34%	2	458

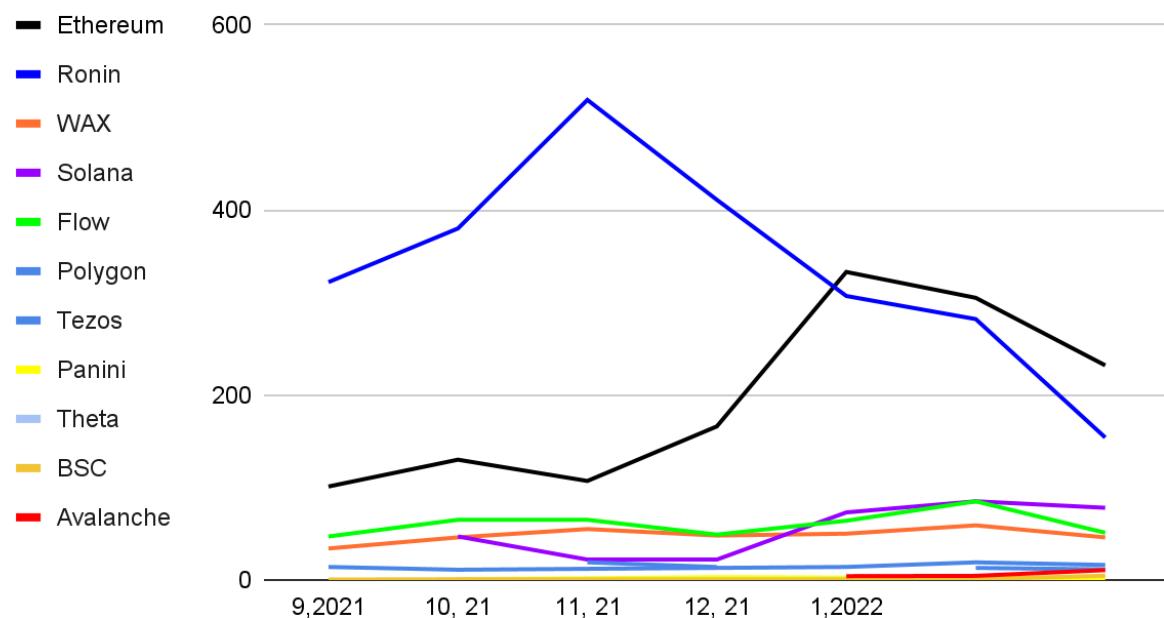
Blockchains by NFT Sales Volume (30 days), mln \$



Here it is important to note the arrival of the Arbitrum and Cronos networks with sales of \$7.7 million and \$3.1 million, respectively



Blockchains by buyers (30 days), thousands



Here it is important to note the arrival of the Arbitrum and Cronos networks with 3,500 and 1,100 buyers, respectively. In almost all networks, the number of buyers decreased, but in BSC increased by 92%.

Global Indexes by Sales Volume (30 days)

Index	NFTs			Fan tokens		
	Sales, \$Billions	Change (30d)	Buyers, millions	Sales, \$Billions	Change (30d)	Buyers, millions
Feb, 2022	3.130	▼ 22 %	0.855	1.638	▲ 49 %	0.855
Mar, 2022	2.145	▼ 35 %	0.611	3.407	▲ 107 %	

Source: <https://cryptoslam.io/>



February

NEW	1H	24H	7D	30D	ALL
MARKETPLACES					
MARKET	▼ AVG. PRICE	▼ TRADERS	▼ VOLUME		
1 OpenSea ◆ ETH - ⚙️ Polygon	\$935,41 -9,17%	543 433 -20,3%	\$3,77B -13,48%		
2 Axie Infinity ◆ ETH - ⚡ RONIN	\$36,38 -65,55%	386 738 -5,92%	\$89,7M -33,11%		
3 Magic Eden ≡ SOLANA	\$283,52 3,87%	174 618 -24,66%	\$145,64M -50,25%		
4 NBA Top Shot ⌚ FLOW	\$28,16 -11,14%	123 665 4,12%	\$48,64M -4,76%		
5 AtomicMarket ₩ WAX	\$12 -10,54%	110 690 -7,58%	\$29,02M -0,72%		
6 BloctoBay ⌚ FLOW	\$294,1 -54,55%	88 773 112,46%	\$148,67M 197,61%		
7 Solanart ≡ SOLANA	\$256,35 -31,07%	33 055 -21,34%	\$10,6M -50,46%		
8 LooksRare ◆ ETH	\$275,08k -6,93%	24 337 -0,73%	\$7,91B -16,7%		
9 Hic et nunc ↳ TEZOS	\$9,2 -31,03%	19 083 -11,57%	\$1,53M -41,85%		
10 Mobox ⌚ BSC	\$421,93 -41,95%	13 221 -14,24%	\$27,81M -46,56%		

March

NEW	1H	24H	7D	30D	ALL
MARKETPLACES					
MARKET	▼ AVG. PRICE	▼ TRADERS	▼ VOLUME		
1 OpenSea ◆ ETH - ⚙️ Polygon	\$733,85 11,83%	489 796 -23,31%	\$2,64B -67,2%		
2 Axie Infinity ◆ ETH - ⚡ Ronin	\$32,75 -21,88%	300 540 -15,76%	\$62,33M -45,8%		
3 NBA Top Shot ⌚ Flow	\$22,06 -32,69%	102 814 -20,42%	\$34,51M -35,95%		
4 Magic Eden ≡ Solana	\$234,2 -15,28%	95 991 -61,59%	\$41,05M -85,76%		
5 BloctoBay ⌚ Flow	\$260,3 -42,48%	92 045 63,59%	\$190,52M 313,25%		
6 AtomicMarket ₩ WAX	\$7,15 -43,6%	91 314 -22,86%	\$15,49M -50,78%		
7 Solanart ≡ Solana	\$205,12 -30,86%	18 891 -58,31%	\$4,39M -75,26%		
8 Hic et nunc ↳ Tezos	\$8,57 -25,06%	17 187 -16,05%	\$1,12M -48,71%		
9 LooksRare ◆ ETH	\$132,52k -62,48%	15 390 -51,97%	\$2,32B -84,68%		
10 Mobox ⌚ BSC	\$346,92 -30,28%	13 053 -5,34%	\$22,49M -33,43%		



February

NEW	1H	24H	7D	30D	ALL
MARKETPLACES					
MARKET	▼ AVG. PRICE	▼ TRADERS	▼ VOLUME		
1 LooksRare ETH	\$275,89k -6,62%	24 292 -1,11%	24 292	\$7,92B -16,63%	
2 OpenSea ETH + Polygon	\$935,41 -9,17%	543 433 -20,3%	543 433	\$3,77B -13,48%	
3 BloctoBay FLOW	\$292,98 -54,41%	88 822 112,68%	88 822	\$148,88M 200,2%	
4 Magic Eden SOLANA	\$283,52 3,87%	174 618 -24,66%	174 618	\$145,64M -50,25%	
5 CryptoPunks ETH	\$337,65k 42,78%	342 -28,9%	342	\$109,73M -7,93%	
6 Axie Infinity ETH + RONIN	\$36,38 -65,55%	386 738 -5,92%	386 738	\$89,7M -33,11%	
7 NBA Top Shot FLOW	\$28,16 -11,14%	123 665 4,12%	123 665	\$48,64M -4,76%	
8 AtomicMarket WAX	\$12 -10,54%	110 690 -7,58%	110 690	\$29,02M -0,72%	
9 Mobox BSC	\$421,93 -41,95%	13 221 -14,24%	13 221	\$27,81M -46,56%	
10 NFTrade WBSC	\$279,04 -4,94%	12 482 2,41%	12 482	\$18,07M 13,39%	

March

NEW	1H	24H	7D	30D	ALL
MARKETPLACES					
MARKET	▼ AVG. PRICE	▼ TRADERS	▼ VOLUME		
1 OpenSea ETH + Polygon	\$733,85 11,83%	489 796 -23,31%	489 796	\$2,64B -67,2%	
2 LooksRare ETH	\$132,52k -62,48%	15 390 -51,97%	15 390	\$2,32B -84,68%	
3 BloctoBay Flow	\$260,3 -42,48%	92 045 63,59%	92 045	\$190,52M 313,25%	
4 CryptoPunks ETH	\$282,95k 15,41%	350 -29,44%	350	\$94,5M -29,53%	
5 Axie Infinity ETH + Ronin	\$32,75 -21,88%	300 540 -15,76%	300 540	\$62,33M -45,8%	
6 Magic Eden Solana	\$234,2 -15,28%	95 991 -61,59%	95 991	\$41,05M -85,76%	
7 NBA Top Shot Flow	\$22,06 -32,69%	102 814 -20,42%	102 814	\$34,51M -35,95%	
8 Mobox BSC	\$346,92 -30,28%	13 053 -5,34%	13 053	\$22,49M -33,43%	
9 NFTrade WBSC	\$407,68 19,52%	12 333 -14,23%	12 333	\$17,59M -30,64%	
10 AtomicMarket WAX	\$7,15 -43,6%	91 314 -22,86%	91 314	\$15,49M -50,78%	

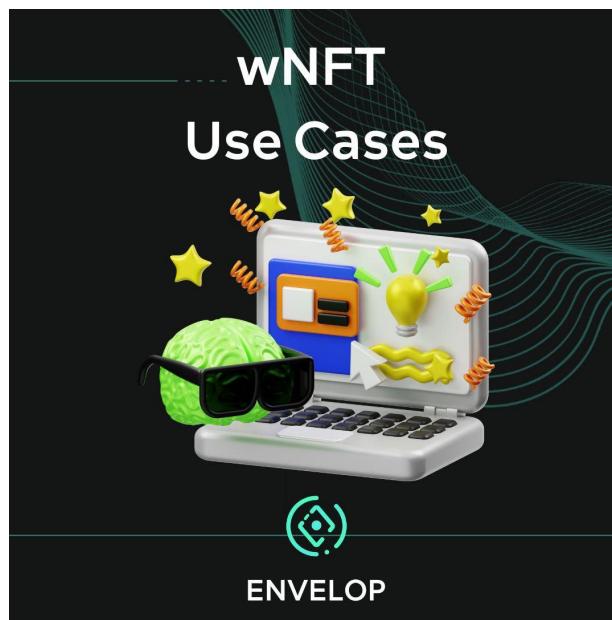
Source: <https://dappradar.com/nft>

Thus, the NFTs market has formed the second stage, when everyone has had enough of selling "cats", "punks" and digital "pictures" and has moved on to creating protocols, marketplaces and other multi-platform solutions.



Features

1. If you are ready to become a member of DAO and help develop the project and community, [join our Ambassador program](#)
2. Documentation - <https://docs.envelop.is/>
3. NFT wrapping interface is available now <https://app.envelop.is/#/>
4. NIFTSY staking is live here <https://app.envelop.is/farming/#/>
5. [How to wrap your NFTs using the Envelop Protocol](#)
6. The worlds first [wNFT store](#)
7. DAO [Veezy – Envelop collaboration](#)
8. [Arcona announces partnership with DAO ENVELOP](#)
9. Envelop (<https://niftsy.io/>) is the leader in technological sphere of wrapped NFTs. How our collaboration
10. All about NFTs, GameFi, DAOs, Metaverse, Future Web in [telegram channel DeWeb](#)
11. [ENVELOP in Instagram](#)
12. [ENVELOP in TikTok](#)
13. CEXs:
 - https://www.zb.com/en/trade/niftsy_usdt
 - https://www.aex.com/page/new_trade.html#/?symbol=niftsy_usdt
 - https://www.gate.io/en/trade/NIFTSY_USDT
- DEXs:
 - <https://app.uniswap.org/#/pool/144069>
 - <https://info.quickswap.exchange/pair/0x67d40983fc25d34d788000f7d028f356f130b072>
 - <https://pancakeswap.finance/info/pool/0xc40a60bf66f7718d2a058f648bcbbabd1ee08125>



Envelop wNFT Use Cases. Here are some examples of the many wNFT use cases.



wNFTs for Creators



ENVELOP

wNFTs for HODLers



ENVELOP

Creators. The authors can set their parameters for the NFT, including the collateral and royalties

HODLers. Storage of crypto assets inside a wNFT with a pre-defined unwrap date. This allows the token and assets inside the time to gain value and eliminates paper hands in a bearish market.

wNFTs for Traders



ENVELOP

wNFTs For Game-Fi



ENVELOP

Traders. The traders get a faster execution of trades

Games. The opportunity to receive royalties, to throw different tokens or objects into collateral, or to rent objects. Greater functionality of characters and artifacts.



wNFTs for Metaverses



 ENVELOP

wNFTs for Music



 ENVELOP

Metaverses. With Envelop, any NFT can be converted into an advertising space, providing its owners with additional monetization opportunities. By connecting web 2 advertisers and web 3 audiences, Envelop has extensive tracking and analysis capabilities.

Music. Songs can have a time-locked release date. Artists can incentivize fans with royalties for the music NFTs they own.

wNFTs for Access



 ENVELOP

wNFTs for AR/VR



 ENVELOP

Access. Tokens be utilized as a loyalty tool such as tickets, AAA passes, for one off events and lifetime access. Holders can receive drops for loyalty.

AR and VR. Using Augmented and Virtual reality, digital assets can be hidden inside objects. Wrapped NFTs can be won using the play to earn model.



wNFTs for
gifts

wNFTs for
Marketplaces

ENVELOP

Gifts. Gift NFTs or GINFTS can be bought and sent to receivers wallets with an unwrap time-lock set for a special date in time.

Marketplaces. To guarantee an NFT's unburnable value, the owner pledges digital assets inside a wNFT, resulting in a secured floor price. Marketplace

Smart wNFTs
for liquidity

ENVELOP

Smart wNFT for liquidity. The project tokens are distributed to the investor in the form of wNFT. This preserves the investor's liquidity and reduces the risk of the project's price being dumped.

Conclusion

We had long debates and doubts about whether to make the digest longer or shorter. We decided on an alpha version in this format. I'd like your feedback: what do you think? Which sections to add? What kind of graphs and figures would you like to see? And in general - wishes for development. In the meantime, see you on

https://t.me/envelop_en