

Cryptocurrencies Introduction

History, Basic characteristics, Types of cryptocurrencies, Tokens

What is Cryptocurrency

- Digital currencies in which encryption techniques are used to regulate the generation and transfer of funds
- Cryptocurrencies operate independently of central banks



What is Cryptocurrency

EVOLUTION OF MONEY



BARTER



GOLD



METALL
COINS



PAPER
MONEY



PLASTIC
CARDS



ELECTRONIC
MONEY



CRYPTO
CURRENCY



\$ 20.00



1998



\$ 20.00



2005



\$ 20.00



2014



\$ 20.00



2020



1 BTC



2012



1 BTC



2013



1 BTC



2014



1 BTC



2020

History of Cryptocurrencies

- First Cryptocurrency BTC is released on 3rd of January 2009 (Nakamoto mined the Genesis Block)
- Litecoin was released 7th of October 2011
- First ICO was held by Mastercoin in July 2013
- Ethereum's ICO was held in 2014 – raising 3700 BTC in the first 12 hours (2.3m USD at the time)

Initial Coin Offering

An initial coin offering (ICO) or initial currency offering is a type of funding using cryptocurrencies. It is often a form of crowdfunding, however a private ICO which does not seek public investment is also possible.

- ICO is usually a form of crowdfunding for a startup company
- After the release of the ERC-20 Token format ICO became more and more popular
- ICO boom – was in the period between 2017-2018 where every month there war 50+ new ICO projects
- The highest-grossing ICO as of January 2018, being Filecoin raising \$257 million (and \$200 million of that within the first hour of their token sale).

Difference between a token and a coin

Crypto Coin Definition

A crypto coin is a crypto asset (crypto asset refers to all kinds of cryptos) that has its own blockchain, as opposed to running on another crypto asset's blockchain. You could also call a crypto coin a cryptocurrency or a “native token” (confusing, we know) - the underlying idea is that the asset has its own blockchain.

Token definition

Token usually exists on a master blockchain. Typical case for this are ERC-20 tokens that function on Ethereum network.

Crypto currencies qualities

- Irreversible
- Secure
- Permissionless – no central authority
- Fast – transactions can be propagated instantly and confirmed in minutes
- Pseudonymous – Identities are not linked with accounts or transactions

Basic characteristics

- Consensus algorithm
- Type of block chain
- Current supply
- Total supply
- Volume
- Max Supply
- Trading pairs (exposure)

Coin distribution

- Coinmarketcap
- CoinGecko

Historical Snapshot - 25 December 2013

Market Cap:

Price:

Volume (24h):









  

<https://coinmarketcap.com/historical/20131225/>

[← Previous Week](#)

[Next Week →](#)

[View All](#)

Rank	Name	Symbol	Market Cap	Price	Circulating Supply	% 1h	% 24h	% 7d	
1	 Bitcoin	BTC	\$8,305,173,642	\$682.21	12,173,925 BTC	0.47%	2.74%	25.38%	...
2	 Litecoin	LTC	\$513,136,703	\$21.15	24,263,492 LTC	1.56%	20.55%	41.50%	...
3	 XRP	XRP	\$172,318,641	\$0.022042	7,817,889,792 XRP *	0.00%	-1.57%	33.56%	...
4	 Omni	OMNI	\$82,029,395	\$132.42	619,478 OMNI *	-6.82%	7.94%	0.00%	...
5	 Peercoin	PPC	\$72,517,353	\$3.46	20,966,016 PPC	-0.19%	4.16%	44.23%	...
6	 Nxt	NXT	\$64,458,019	\$0.064458	999,998,016 NXT *	7.40%	54.89%	915.14%	...
7	 Namecoin	NMC	\$35,150,302	\$4.63	7,588,243 NMC	-0.10%	12.36%	46.71%	...
8	 Quark	QRK	\$22,856,178	\$0.092610	246,800,304 QRK	0.50%	0.45%	16.51%	...
9	 BitShares PTS	PTS	\$18,788,042	\$15.69	1,197,389 PTS *	-0.71%	18.71%	41.64%	...
10	 WorldCoin	WDC	\$13,998,439	\$0.378047	37,028,336 WDC	-0.01%	2.49%	44.80%	...
11	 Megacoin	MEC	\$11,457,195	\$0.534457	21,437,076 MEC	2.57%	8.08%	46.50%	...

Digital and Fiat money

- What is Fiat
- What is Digital money

Cryptocurrency Vs. Fiat Currency



VS



CRYPTOCURRENCY

Crypto is a digital form of currency that does not rely on any government backing

No intrinsic value

Typically digital

Not backed by the government

Limited supply

Decentralized



FIAT MONEY

Fiat money is a currency established as money by government decree

No intrinsic value

Typically in paper form

Backed by the government

Unlimited Supply

Centralized

Types of cryptocurrencies

- Fungible Tokens
- Non Fungible Tokens (NFT)
- Stable coins
- Defi projects

What are Stablecoins?

P2P PAYMENTS AND STREAMLINING RECURRING

Making peer-to-peer payments is easier with stablecoins. You can use them on smart contracts to make automated payments.

AFFORDABLE AND EXTREMELY FAST REMITTANCES

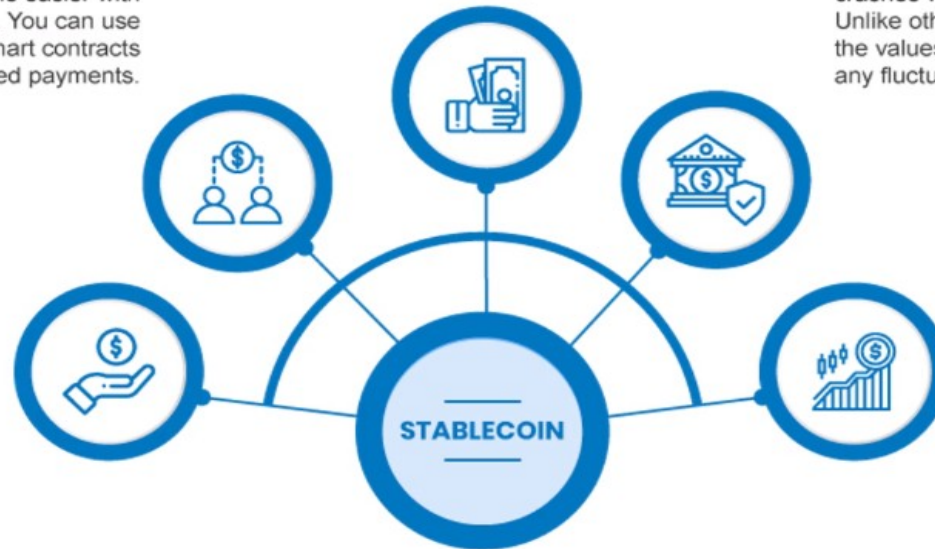
Sending remittances overseas is much simpler with these coins. They are extremely fast and will have the same value as fiat money.

ADDED LEVEL OF SECURITY FROM CURRENCY CRASHES

As they are stable, you won't have to worry about currency crashes while investing. Unlike other cryptocurrencies the values almost don't have any fluctuation.

EVERYDAY CURRENCY

You can use stablecoins as an everyday currency just like fiat money with legal backups. They will be just like digital money, and you can use them to make online payments.



MORE STABLE CRYPTOCURRENCY EXCHANGES

Stabilizing the market, these coins can improve the overall nature of cryptocurrency exchanges. No added risk, no unnecessary regulations.

There are different popular StableCoins

- Tehter (USDT)
- Dai (MakerDAO) - <https://makerdao.com/en/>
- USD Coin (USDC) – Coinbase project
- True USD (TUSD)

Disadvantages of Stablecoins

CENTRALIZED



Stablecoins have a centralized nature, which goes against the primary nature of blockchain.

TRUST ISSUES



As they have centralized nature, people can't fully trust the system. They will need to prove their applications.

REGULATIONS



Most of the coins have the same regulations as the fiat money. So, this ultimately clashes with the purpose of cryptocurrencies.

UNSTABLE



Crypto backed or commodity backed stablecoins could become unstable due to crashes in pricing. It's still unclear how they will backup if the values of assets drop in the real world.

DEFI (Decentralized Finance)

What is DEFI - DeFi is an abbreviation of the phrase decentralized finance which generally refers to digital assets and financial smart contracts, protocols, and decentralized applications (DApps), most of which are built on Ethereum. In simpler terms, it's financial software built on the blockchain that can be pieced together like Money Legos.



<https://defipulse.com/>

<https://oasis.app/save>

NFTs

- Non Fungible Tokens - Non-fungible tokens are used to create verifiable digital scarcity, as well as digital ownership, and the possibility of asset interoperability across multiple platforms.
[NFTs are used in several specific applications that require unique digital items like crypto art (rare art), crypto-collectibles and crypto-gaming.

NFT Markets

Top NFT Markets - <https://opensea.io/rankings>

- Crypto market for NFT - <https://opensea.io/>
- Kudos - <https://gitcoin.co/kudos/marketplace>
- Rarible - <https://app.rarible.com/>

Top Cryptocurrency Coins

Bitcoin

Ethereum

Litecoin – uses same hashing algorithm as Bitcoin – much popular back in the days

Monero – privacy coin – uses obfuscation when sending transactions

Uses POW Cryptonight algorithm

Dash – privacy coin

IOTA – Blockchain for IOT

EOS – smart contracts platform similar to Ethereum

EOS

Introduced in 2017. Uses DpoS (Delegated proof of stake) algorithm. There are only 11 validating nodes

EOS transactions are very fast because there are limited number of coordinated nodes

EOS tokens can be used to acquire network resources like:

CPU (processing power it takes to run a dapp)

NET (network bandwidth dapp is allowed to use)

RAM

Storage

Dash

Dash uses combined POW and proof of stake (Proof-of-Service)

Mining reward for Proof-of-Work	45%
Masternode reward for Proof-of-Service	45%
Decentralized governance budget	10%

Proposal submission can be sent and voted

<https://www.dashcentral.org/budget>

We can track current development on approved proposals at

<https://app.dashnexus.org/proposals/leaderboard>

Top ERC 20 Tokens

Basic Attention Token

BAT is aimed to create direct economy where all the stakeholders in the advertising value chain can transact directly with each other

Users earn for engaging with ads

Advertisers get more meaningful traffic with their ads

Publishers (content creators get part of the earnings)

Steemit

Similar to BAT but uses central portal for news, articles etc.

content creators get part of the earnings using Steemit tokens

Top ERC 20 Tokens

OmiseGo

Established by financial services company Omise

OMG Network is “trustless, non-custodial, layer-2 scaling solution for transferring value on Ethereum

OMG allows users to transfer coins from one blockchain to another without using a traditional exchange

It also allows funds to be transferred between blockchains and traditional payment providers like VISA and SWIFT

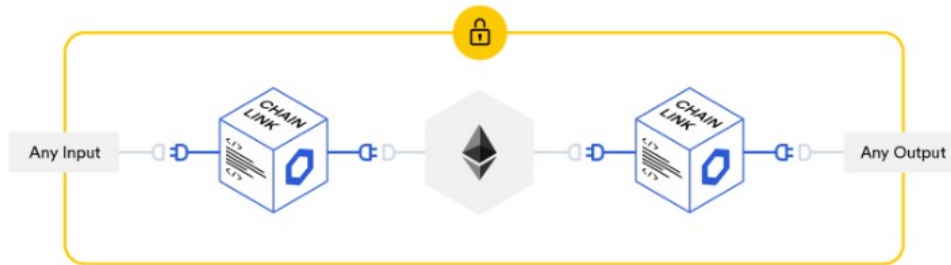
Top ERC 20 Tokens

Chainlink

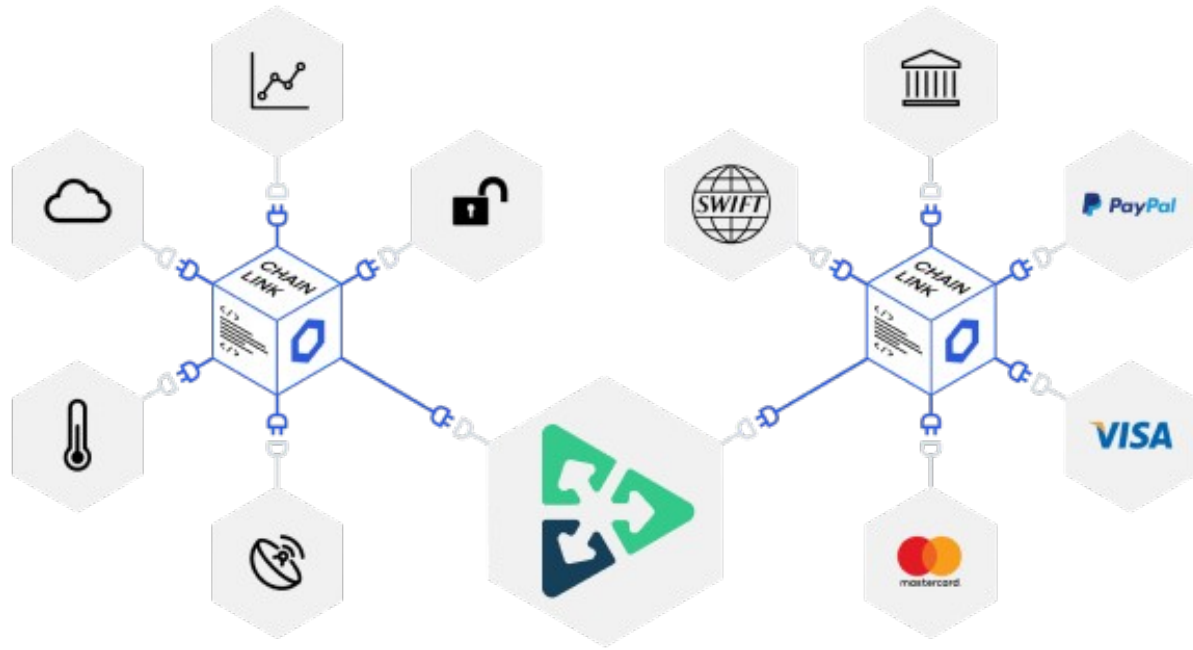
Acts like a 3rd party provider for Oracle solutions on the Ethereum network

- Uses ERC-677 standard to provide the data payload within the transaction itself
- Easily connect smart contracts to the data sources and APIs they need to function
- ~~Send Payments from your contract to bank accounts and payment networks.~~

Smart Contracts Require End-to-End Reliability



Chainlink Integration Scheme



Top ERC 20 Tokens

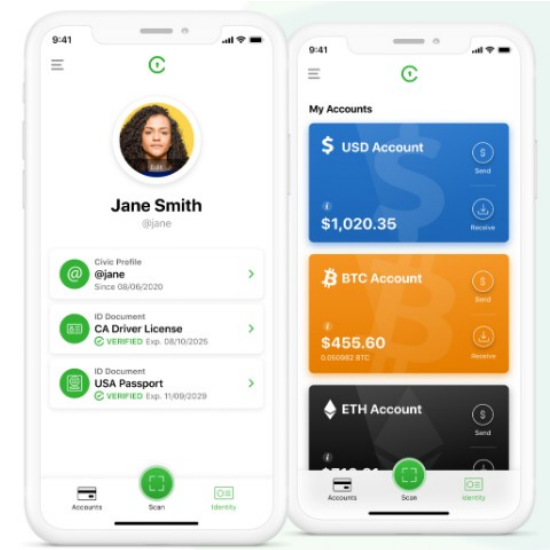
Civic

Decentralized identity platform that provides in compliance with laws and regulations around the world

It allows users to have control over how their identity is stored and accessed

Participated in Initial Coin Offering ICO and launched Testnet soon after

Similar project: Humaniq - <https://humaniq.com/>



Crypto slang

ICO: Initial Coin Offering.

Rekked – Getting completely destroyed.

FOMO – Fear of missing out.

HODL – Crypto version of ‘hold’ and has been popularised as a trading strategy.

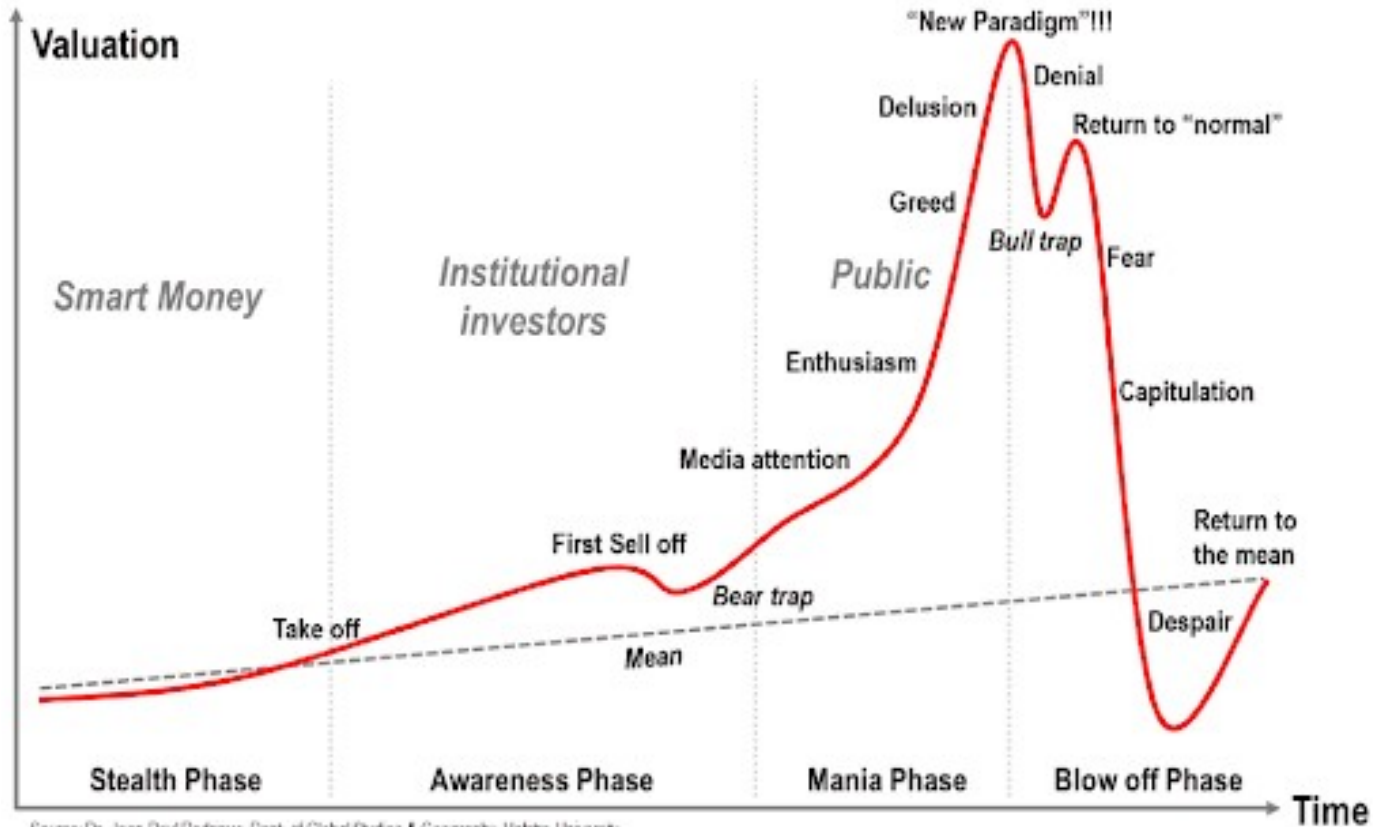
Moon – When an asset’s price is shooting up rapidly... like a rocket as it is on its way to the moon.

Whale – an investor with large amounts of capital to allocate

Bull market – market that is going up

Bear market – market that is selling out

ICO Bubble



Questions?

Thank you for your attention!