

RAHAMA TV

3/03/2021

CRYPTOCURRENCY

A cryptocurrency is digital or virtual currency that is secured by cryptography which makes it nearly impossible to counterfeit or double spend. Many cryptocurrencies are decentralized networks based on blockchain technology- a distributed ledger enforced by disparate networks of computers. A distinguishing feature of cryptocurrencies is that they are generally not issued by any central authority, rendering them theoretically immune to government interference or manipulation. Cryptocurrencies face criticism for a number of reasons including the use for illegal activities, exchange rate volatility and vulnerabilities of infrastructure underlying them. However they are usually for their portability, divisibility, inflation resistance and transparency. The word cryptocurrency is derived from the encryption techniques which are used to secure network.

Blockchain the record keeping technology behind the Bitcoin network- database. Blockchain stores data in blocks that are then chain together. As new data comes in it is entered into a fresh block, once it is filled with data, it is chained into previous block which makes the chained together in chronological order. Literally it's a decentralized network in which data entered are immutable and irreversible. Permanently recorded and viewable to anyone.

Bitcoin is the first digital currency that was created in January 2009. Bitcoin origin can be traced out to the mysterious and pseudonymous Satoshi Nakamoto. Today there are thousands of alternative cryptocurrencies with various functions and specifications, some of these are clones or forks of Bitcoin while others are entirely new project built from scratch. Basically they are referred to as altcoins.

As at 2/03/2021 the market cap for all cryptocurrencies stood at \$1.5 trn with BTC dominance standing at 60% , ETH at 11.8% out of a total number of crypto assets;8,660.

NAME	MARKET CAP	PRICE
BTC	\$917 bn	\$49,214
ETH	\$177 bn	\$1,548
ADA	\$ 40 bn	\$1.24
BNB	\$38 bn	\$244
USDT	\$36 bn	\$1.00

Source: Coinmarketcap.com

The legal status of crypto assets varies substantially from state to state, jurisdiction to jurisdiction. For some countries its holding and trading is legal whilst for others it's entirely illegal. As of February 2020, Bitcoin was legal in the U.S, Japan, U.K. China heavily restricted Bitcoin without actually criminalizing its holding. India banned banks from dealing in Bitcoin and left the overall legal status of cryptocurrencies unclear.

Legal tender is anything recognized by laws as a means to settle a public or private debt or meet a financial obligation including tax payments and legal fines or damages.

In the last five years, Nigeria has traded about 60K Bitcoin valued at almost \$600m, making it second largest market by trading volume after the United States.

The Central Bank of Nigeria Pinpoint that cryptocurrencies can be used for illegal activities, money laundering, terrorism financing, and purchase of small arms, light weapons and tax evasion. Also traditional asset, crypto asset have no intrinsic value.

Fuel scarcity

According to NBS Average price of PMS in December 2020 is N165.70/LITRE/. 159 LITRES makes up a barrel. Last increment occurred in November when PPMC Increased dispensing price on a band of N165-N173 / LITRE.

Nigeria PMS Consumption around 35-50m/litr

Oil Price (Brent) = \$62.95/b

Oil Price (OPEC) = \$64.24/b

DANGOTE REFINING CAPACITY = 650,000 BPD

Q4 economic outlook

Oil GDP-5.87%

NON OIL GDP – 94.13%

HEADLINE INFLATION- 16.47%

FOOD SUB INDEX – 20.57%

CORE SUB INDEX- 11.85%

DANGOTE REFINING CAPACITY = 650,000 BPD