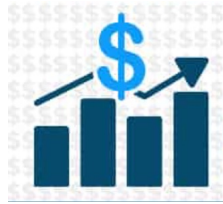# NFT.Advisor

NFT valuing and value-adding platform

NFT By the Numbers

$ 250 Million
Total value of NFT sales in 2020
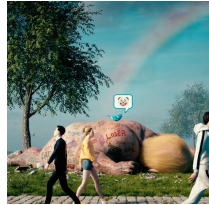
$ 2 Billion
Total value of NFT sales in Q1 2021

30,000
new wallets buying NFTs in May

$ 2.9 Million
The first tweet into NFT

$ 6.6 Million
Most expensive NFT video

$69.3 Million
Most expensive NFT

NFTs are currently taking the digital world by storm.

Hugely Popular, but Still a Field in Progress

Advantages of NFTs

Ownership, Scarcity, and Uniqueness

NFTs allow for online assets to have verifiable scarcity and ownership that cannot be manipulated.

Authenticity with Immutability

NFTs can't be changed or replaced in any way if their authenticity is verified on the blockchain.

Creator Economic Opportunity

NFTs can help protect copyright, create new revenue stream for artists, promote the creator economy.

Factors impeding future development

Speculative Market

NFT's worth is entirely tied to aesthetic and sentimental value at this moment, prices come with high volatility and even deception.

Poor Liquidity

Rare opportunity to return NFT to the same position at the same value, once sold it may not be listed on marketplaces anymore.
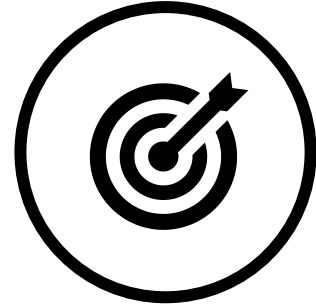
Several Ways to Improve

Collateral for Loans

Fractional Ownership

Fair Value Discovery

Case Study: NFTfi (NFT Collateralized Loans)

Pain Points

Peer-to-Peer marketplace for NFT collateralized loans, allowing users to lend or borrow wETH or DAI while using NFT assets as collateral..
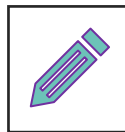
Lenders make their offers on staked NFTs, set the loaned amount and expected APR. If the borrower accepts the offer then reach a deal.

No clearing mechanism. Lenders fully take the risk of price changes upon staked NFT.

Low loan amounts with horrible APR. Usually less than 1ETH is offered, with an APR greater than 150%. Unfriendly to borrowers.

Conclusion: Borrowers can easily, and are motivated to default, rendering NFTfi more like a NFT trading marketplace.

# Case Study: NFT20(Deposit NFTs to Create ERC-20 Tokens)

Pain Points

Deposit NFT into respective NFT project pool will create 100 same shares of ERC20 token representation of that project,, which can be traded on Uniswap.
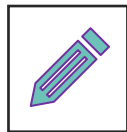
The platform expect users to deposit low value NFTs into pools, thus creating an average price per NFT per project due to OpenSea + Uniswap arbitrage.
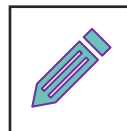
Inefficient market. Market established based on arbitrage behavior will lead to ordinary users' continuously suffering losses.

Limited application scenarios. Different NFTs from the same project varies greatly, while there are always only cheap products placed into pools.

Conclusion: Low-value NFTs can be fragmented with potential losses, but obviously they are not the ones who lack liquidity the most.

Case Study: PawnHouse (Price Discovery Solutions for NFTs)

Pain Points

Every successful NFT collateralized loan would generate an NFT PawnTicket, which can circulate in market for further price quotation.
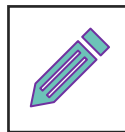
Simultaneous multiple round auction instead of traditional English auction to gather more popularity for assets and provide more comprehensive price.

Potential death spiral in mortgage sale. The price would keep dropping if few people interested.

Too inefficient to promote. Many users required to involve into every auction, inefficient to extend and can't reveal laws behind.

Conclusion: Simple economy methods without statistical analysis are insufficient to disclose the true value of NFTs.

Our Solutions

Integrated NFT valuing and value-adding platform
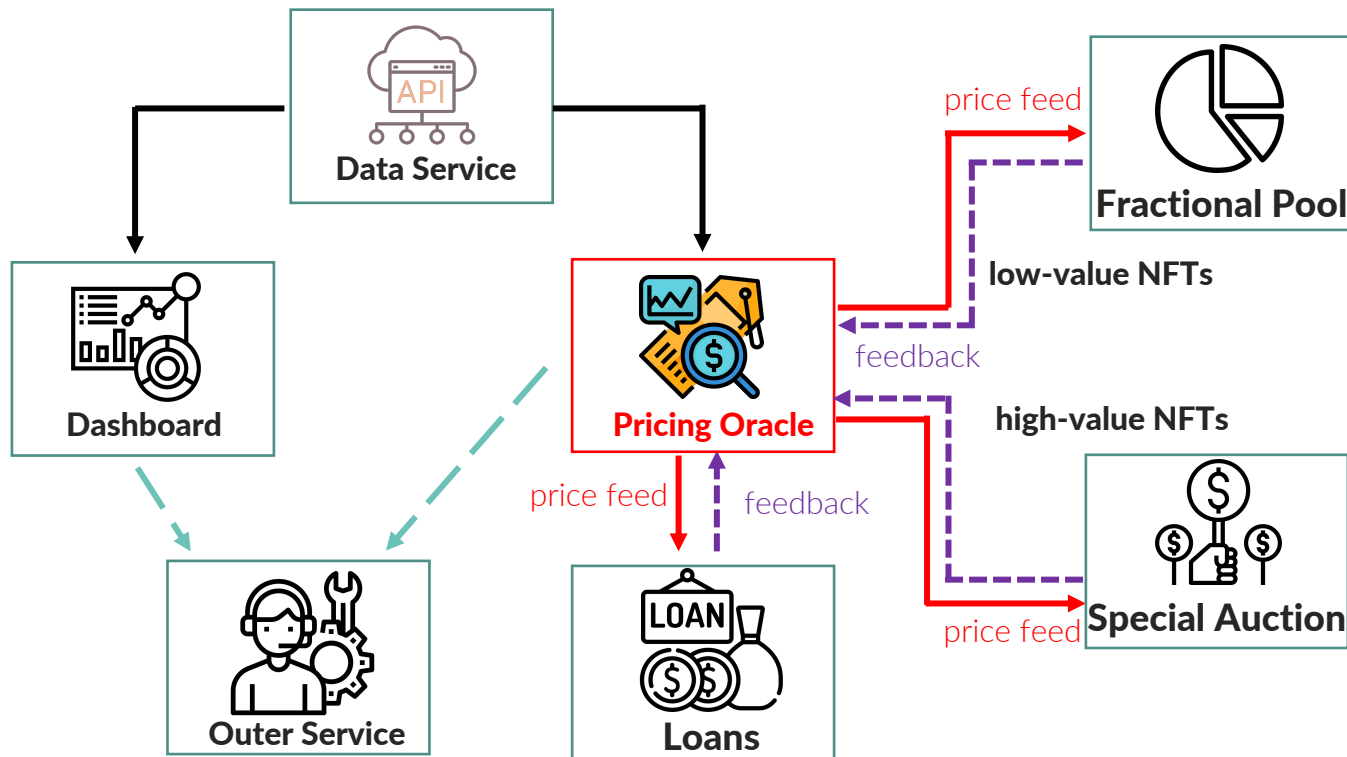
Pricing Oracle: Understand the Value of NFT

Creation and Creator Bonus

Digital Scarcity

Ownership History

Supply and Demand Relationship

Practicality

Future Value

Pricing Oracle: Price Discovery

Integrated use of statistical models and market-based methods to determine the value of NFT.

Data Mining

- Ethereum blockchain transactions
- OpenSea et al. marketplace data
- CEX, DEX information
- Twitter et al. social network data

....

Model Training

- Feature engineering
- Machine learning methods
- Deep learning

....

+

References

- Community vote
- Loan market performance
- Fractional pool performance
- Auction market performance

....
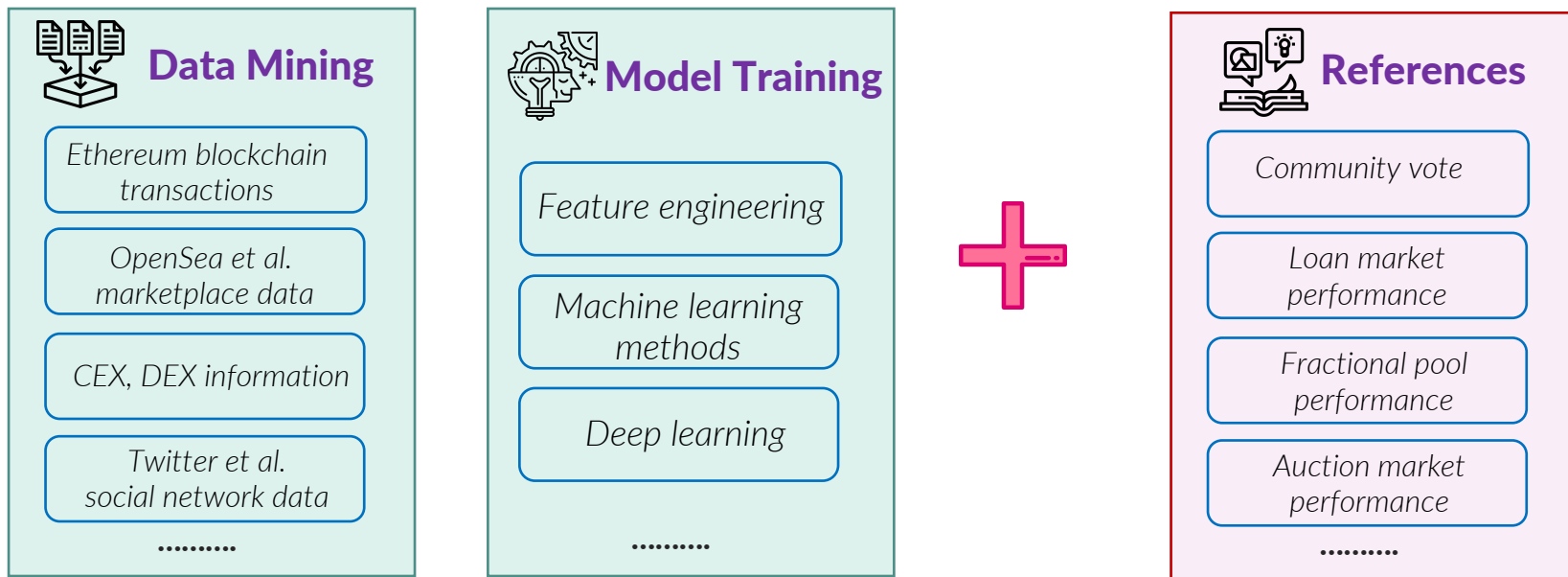
Statistical

Economic

Pricing Oracle: Price Discovery Service

For the same NFT, we will provide specific pricing result based on different styles of customer perception.

Users' investment style will be obtained through well-designed questionnaire.

NFT.Advisor
NFT valuing and value-adding platform

Questionnaire(e.g.)

If Musk buys a piece of land on the Sandbox for $500,000, which of the following do you think is the most likely to happen?

A. Musk paid too much, much more than its real value

B. Only the land tat Musk bought is worthy that price, other products have little effect

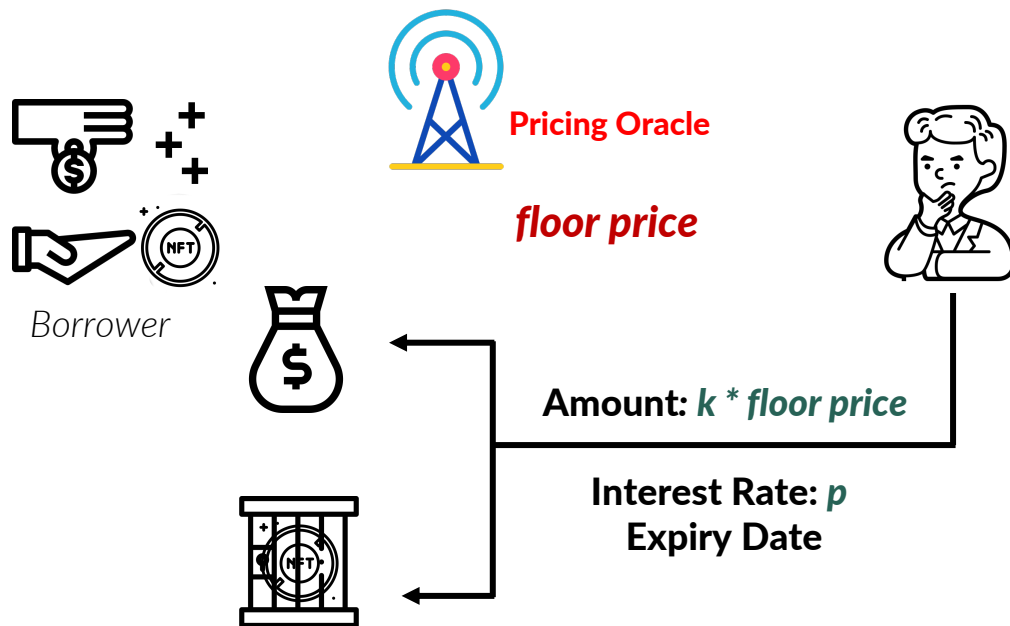C. Musk gave new connotations to the product, similar NFTs' value are going to rise

D. Great opportunity! Quick to buy!

floor price

mild price

wild price

Loans: Deposit to Lend

Pricing Oracle

floor price

Borrower

Amount: *k * floor price*

**Interest Rate: *p*
Expiry Date**

Settlement
Interest calculated on daily basis, and loan can be closed before expiry
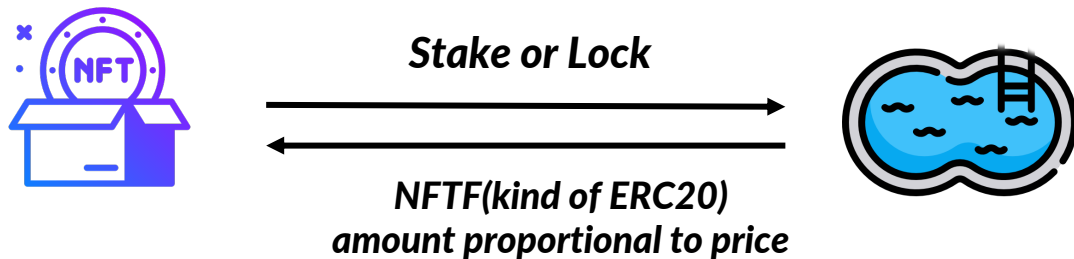
Liquidation
*k * price > deposit – future interest*

Feedback
Popularity in lending market helps to assess NFTs' true value

Fraction Pool: Deposit or Lock to Circulate

Stake or Lock

NFTF(kind of ERC20)
amount proportional to price

🖍️ NFTF is newly created ERC-20 token for NFT-Advisor, and will be traded on Uniswap.

🖍️ Users can mortgage or lock their NFTs into pool to get a certain amount of NFTFs(amount determined by its floor price). Locking operations are additional charged daily, or it would be liquidated into public pool.

🖍️ Also they can put NFTFs into pool to redeem certain NFT. Locked NFTs are only limited to their mortgager unless they are liquidated.

Auxiliary Components

Dashboard

- *Marketplace price*
- *Liquidity pool overview*
- *Loans activities and statistics*
- ....

Auctio

n

- *English auction for instant trade*
- *SMRA to maximize NFTs' value*
- ....

❑ *NFT-Advisor is one closed-loop ecosystem to value NFTs, and continuously increase its value.*

❑ *We provide professional data and reference services, to reduce investors' risk in NFT market, pushing it into a more mature stage.*

Our Innovations

🚀 Data model combined with public consensus to discover fair value of NFTs.

🚀 Dashboard and reference services lower the barrier to attract new users into this market.

🚀 Lending services that fully guarantee the rights of both sides, release NFTs' holding value.

🚀 Concentrated pool provides convenience for NFT swaps and secondary market circulation.

Tokens Introduced

Two different kinds of ERC-20 tokens are introduced in NFT-Advisor.

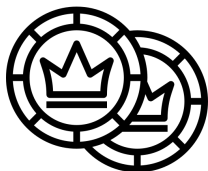*How to get?*   *Deposit NFT into liquidity pool, or buy it from Uniswap.*

How to use?   *1. Burn it to redeem NFTs from liquidity pool.*

2. Trade on Uniswap to get other ERC-20 tokens.

3. Stake to get NASR on our platform.

NFTF
(generate liquidity for NFTs)

Total Supply?   *Depends on staked / locked NFTs.*

How to get?   *See tokenomics on next page.*

How to use?   *1. Stake to vote for reference prices.*

2. Stake to earn transaction fees from liquidity pool.

3. Stake to earn NFT souvenirs about NFT-Advisor.

NASR
(governance token on NFT-Advisor)

Total Supply?   *See tokenomics on next page.*

Tokenomics on NASR

Investors — 15%

Team Members — 10%

Reserved — 10%

Marketing — 5%

Liquidity Providers (from NTFT token) — 60%