

What do cats, Banksy and Grimes have in common?

Okay, you probably know the answer.

However, if recent **crypto headlines** leave you wondering 'Um...what is going on here?', there are still lots of people that can mirror the feeling. So there's nothing to be ashamed of if the meme cat sold as an **NFT**-token doesn't ring a bell.



<https://giphy.com/gifs/funny-cat-mlvseq9yvZhba>

But first things first.

What Is NFT, anyway?

An NFT is a non-fungible token. Does it make any sense now? No? Let's dwell on the basics then.

In the **classic blockchain**, all tokens are equal to each other and interchangeable. This means that one token can be replaced by another one of the same kind and it won't make much difference.



<https://giphy.com/gifs/theoffice-season-3-the-office-tv-CkrxhqNHBpwRzOam44>

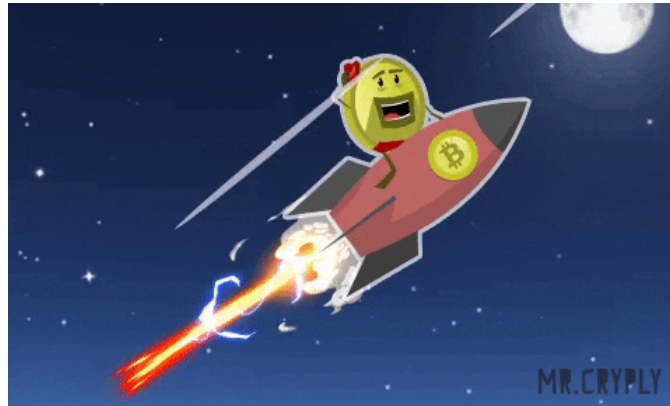
But Non Fungible Token (NFT) technology works differently. **Each non-fungible token is unique** and the blockchain ledger it sits on verifies who the rightful owner is of that one-of-a-kind asset. In other words, an NFT is a digital certificate attached to a unique object. This course of events is ideal for **securing your rights** to some unique object, whether it is a single piece of art, an item in a computer game, or even real estate.

A Few More Words...

NFT technology was created in 2017 based on **Ethereum smart contracts** and has been gaining momentum since then. In February, the sales of NFT tokens hit a new all-time high of \$500 million. This breached a previous high set and gave NFTs a higher market cap. It's the first time this **crypto** achieved that feat.

And for the record: compared to 2019, the cryptocurrency registered **an eye-popping growth of 400%**. Not bad for the competitive crypto world where Bitcoin

is leading the crypto run and ether is having a dream bull run.



<https://giphy.com/gifs/CrypIy-crypto-cryptocurrencies-to-the-moon-Vi5qBEpExoCmzEcDvF>

What Can You Sell As NFTs?

Non Fungible tokens can be used to represent virtually any type of real or digital item **claiming to be unique**. This may include:

- Artwork.
- Virtual items within video games such as skins, weapons, or avatars.
- Music.
- Collectibles
- **Tokenized real-world assets**, from vehicles and gold to designer sneakers.



<https://giphy.com/gifs/memecandy-MXFPJCLeeRs1TRVTYz>

Why Are People Shelling Out For NFTs?

It's a combination of factors driving people to get in on the NFT mania. Are they forking out for an Internet trophy? Clout? Emotions? A collector's item? A little bit of everything, we assume that.

But primarily, **NFTs present a sweet piece for collectors**. Whether it's Pokemon cards, sports memorabilia, rare books, or fine art, nothing beats an original. This is the most likely response to **how Grimes sold \$6 million worth of digital art as NFTs**. (Whaaaat?)



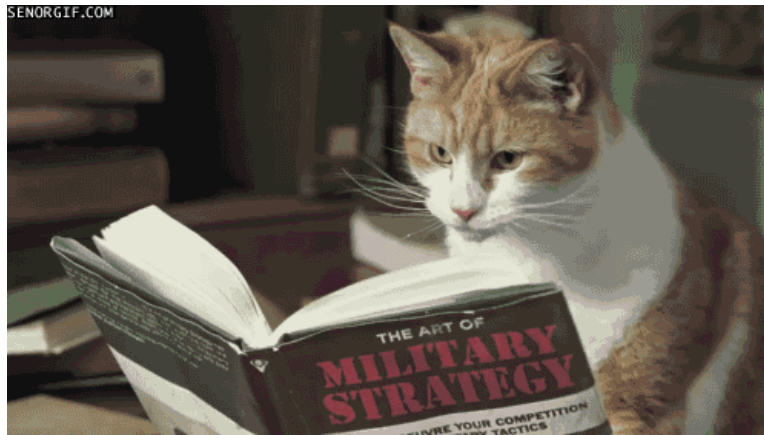
<https://giphy.com/gifs/reaction-what-despicable-me-SqmkZ5ldwzTP2>

Whether or not NFTs have made a comeback to stay, they have certainly become a new plaything and **a fresh coat of paint for digital art.**

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