Discover Monero—5 Things You Should Know

[Monero](https://www.coinstaker.com/top-crypto-currencies) is a reasonably silent cryptocurrency. As the siblings grapple with the market forces of highs and lows, Monero remains on the background and serves its purpose as a private and useful digital asset. With that kind of dedication, it remains an [appealing coin](https://getmonero.org/get-started/using/) to watch. Read on to discover all that you should know about this virtual currency.

## What is Monero?

Monero is one of cryptocurrencies available in the market, just like bitcoin, Ethereum, and many others. However, it offers a few unique qualities that set it apart from the rest of the flock. It is private, secure, and untraceable. It utilizes a CryptoNight algorithm, which is capable of switching up the value of each transaction, its origin, and the destination, to keep the details of the transaction private and secure.

Unconfirmed reports have it that Monero has an [infinite supply](https://www.profitconfidential.com/cryptocurrency/monero/what-is-monero-xmr-facts/) and the amount available to create will decrease gradually until 2022. When that happens, the creation rate will be at 18 Moneros per hour. Recently, some reports also suggested that North Korea might be interested in the virtual currency. There was an evidence of a malware that invaded a computer, created Monero, and sent it back to a destination—Kim II Sung University in Pyongyang.

## Current Stats

The cryptocurrency went through a series of volatility for a better part of January, fluctuating between $350 and $495 per coin. On January 19, it plunged remarkably to $329.22. Over the recent months, the value of the digital currency shot up from a paltry $10 per coin in January 2017. As of this writing, Monero [trades at $325.91](https://bitinfocharts.com/monero/).

Here are five key things you should know about the virtual currency that allows for a completely anonymous digital exchange between two parties.

## Actual Privacy

Not all virtual currencies are private by design. While they can be better than credit cards or PayPal, many cryptocurrencies allow for a peek into the wallets and their contents and history. This makes it equally easier to pry on the public ledger and even monitor future transactions. On the public ledger, the information is available for anyone to access.

While few or no one will bother to look at each detail, the information remains accessible by anyone. As far as transaction history goes, any person or party with whom you have had an exchange could easily reveal the details of such transactions including the dates and how much you spent. In the end, it comes down to no privacy. This could be more dangerous when you use cryptocurrency for your business transactions. For instance, you can lose a bidding contest when a supplier discovers your holdings, calculates the value of your previous contract dealings, and then decides that you could afford more than what you offered. Besides, your competitors could be privy to the same information, which can affect your business status.

Monero comes in to replace the public ledger with a one-time address for each transaction. Only the receiver can tell the destination of the money, with just brief information to complete the transaction. In addition, Monero offers a private-by-default feature for all its transactions, while they remain equally optionally transparent. If you would like to make your transaction history visible, you can do so through the read-only keys. This is necessary for general auditing, public oversight, monitoring of spending habits.

## Fungibility

You cannot discuss Monero without mentioning [fungibility](https://www.investopedia.com/terms/f/fungibility.asp). According to investopedia.com, fungibility is the ability of an asset to interchange with other assets of the same type. It is a fancy way of saying ‘a dollar is a dollar’ regardless of the location. An ounce of gold is the same in value as another ounce of gold anywhere. This concept is not true in diamonds, which is one of the reasons that disqualify them for currency use.

In the world of cryptocurrency, fungibility focuses more on privacy and reliability. A single bitcoin cannot be identical another because each coin has a different transaction history on the blockchain. Perhaps the coin was used in a black market trade or stolen from an exchange. With proper research, you can uncover all the secrets behind each coin. Additionally, payment processors can blacklist the coins they dislike, which eventually reduces their purchasing value to zero. Maintaining fungibility ensures that a cryptocurrency remains reliable. For Monero, the fungibility is constant, which ensures that one unit of the digital asset can just spend like any other unit. This quality gives the virtual currency an upper hand over its competitors.

## Easy Mining

Bitcoin mining is already corrupted, based on the structure of the algorithms. For that reason, miners must develop custom rigs with special ASIC chips to aid in meaningful mining. The chips are quite expensive and consume too much power.

To illustrate the point, a single [bitcoin](https://www.coinstaker.com/bitcoin-investment-risky-says-usb-chairman/) transaction takes nearly as much electricity as 1.6 households in America do in one day. It is also envisaged that bitcoin mining operations could consume as much energy as the entire country of Denmark by 2020. On the contrary, Monero mining was designed with the real world situation in mind. It works well on regular PCs without affecting the environment. As more people adopt the currency, its net worth will increase in equal measure.

## Ideal for Transactions

Monero seems to be offering something extra that other digital currencies lack. Some time back there was rumor of a hacking attempt by North Korea to steal Monero. Besides, Monero experienced a bigger boost from a black market trading service, which adopted it as its official coin. While these may stain the reputation of the digital currency, they also confer honor on the same. It means the virtual currency is so secure and private that illegal markets scramble for it.

Monero is a value storage coin, offering privacy, and made for transactions. Since its launch, it offers lower transaction fees compared to other virtual currencies. With several security features, it stands out as the ideal platform for digital exchange. In addition, its steady value gives it an upper hand over its siblings in the crypto sphere. It attracts more online marketplaces that drop other crypto coins because of price volatility.

## Monero Has a Bright Future

Monero’s features as a quiet, stable, and spendable cryptocurrency make its future bright. It is designed for a future in which virtual currencies are as common as dollar and Euros. Once the altcoin rollercoaster ends, investors will consider cryptocurrencies with the most practical design. At that point, privacy will be top on the list, and Monero will take the first preference.

## Potential Drawbacks of Monero

While it offers many benefits for both users and investors, Monero has a lot more milestones to achieve before it becomes a globally accepted currency. With that in mind, it is important to shed light on some of the [potential limitations](https://www.reddit.com/r/Monero/comments/7ob1pv/question_monero_drawbacks/) of this virtual currency.

To begin with, Monero focuses on privacy, making it one of the most private digital currencies available. However, this cannot be perfect until its Korvi phase is complete. In addition, this cryptocurrency has other drawbacks that relate to other digital assets just as much as they affect Monero.

For example, Bitcoin still commands the highest level of popularity among cryptocurrencies, which makes other digital currencies including Monero, difficult to adopt. All the same, numerous apps such as PayBee are under construction to solve this challenge. Another potential drawback for Monero is the concentrated mining. Nearly 35 percent of the digital asset goes to only four large pools.

## Final Thoughts

As long as Monero remains private, untraceable, and secure, it will continue to draw the attention of investors. Overall, the platform is open-source and accessible, and you are your personal bank. You have the private keys to your account, so it is completely inaccessible for any unauthorized person.