

Title: Metaverse

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I don't know how many of you have been following the NFT craze that's been going on recently, but there is one issue most people that have bought NFTs have encountered.

****Gas prices.****

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first off, what is gas? <https://www.investopedia.com/terms/g/gas-ethereum.asp>

****Why is gas a problem?****

During these mints (creation of the NFT) the gas on ethereum can go from around 170 [gwei] (<https://www.investopedia.com/terms/g/gwei-ethereum.asp>) to upwards of 2500. This is a phenomena known as a gas war, which I will let [this] (<https://i.imgur.com/l8SStpb.png>) explain, but I'll explain later too.

Here are two more transactions from just 2 days ago for .4 eth (\$1500, refundable) that ended up costing each person trying to buy over 2 eth (\$6000, not refundable) in gas fees ****and they didn't even get the NFT****. [1] (<https://i.imgur.com/TP6m3RM.png>) [2] (<https://i.imgur.com/PzvMgPs.png>) <- note the gwei under gas prices

not only is this bad for the consumer trying to mint their collectable, it's bad for anyone else that wants to have transactions committed on the blockchain during that time.

****One important part to understand for later is that there are only ~70 transactions that can fit inside one Ethereum block. And only one block is committed every ~15 seconds****.

this means that the more you are willing to pay for gas the faster your transaction will be processed by miners (because they want to make as much money for their computation as possible)

****Why does gas get so high?****

Gas gets high because right now the NFT space is very lucrative. Let me explain, most of the new generative NFT collections you see are being minted (created) for anywhere from .02-.1 eth. And most of those NFTs are then able to be listed on OpenSea for usually anywhere from .2-.8 eth, immediate turnaround. And if you happen to get a rare one, or the collection becomes popular enough they can easily see 5 eth. That means there is a lot of money to be made if you can buy in early and in bulk.

So what has been happening is whales have been jumping in heavily. What these whales are looking to do is mint a lot of NFTs, and how they are able to do this is the whales simply pay a ton in gas. But because the whales are willing to pay thousands in gwei in order to confirm their transaction fast it kicks everyone else that isn't willing to pay that much off the bus. This is what we call a gas war.

If you would like a visualization of this check out <https://txstreet.com/v/eth> you may even see people getting kicked off the buses (blocks) at the steps right before it gets committed to the blockchain. The result of others paying for priority.

If you're already spending \$20k on the NFTs themselves why not spend another couple thousand on making sure you are in the priority line.

so in these two examples above [1] (<https://i.imgur.com/TP6m3RM.png>)

[2](https://i.imgur.com/PzvMgPs.png) they just kept hopping from block to block and getting kicked off at the last moment, only to get back on a later block. Now you can cancel transactions and limit gas fees so that you don't lose this much, but it doesn't eliminate the problem.

if you would like to see more info on the current state of gas including biggest gas guzzlers, gas spenders, and historical gas prices: <https://etherscan.io/gastracker> <- OpenSea is almost always #1. I know we're apes but try to remember this name for later.

****What is currently the biggest NFT marketplace?****

Guess who?

Opensea, who is taking a cut of [2.5%](https://i.imgur.com/mlrTFxj.png) of every second hand transaction. According to nonfungible.com here is the current trend for NFTs by volume sold: <https://i.imgur.com/TvIRxeW.png>

and here is the trend for total USD spend on NFT sales: <https://i.imgur.com/jgQZYx6.png>

****Where does looping come in?****

lets take a look at one of the major issues looping tries to solve. so much so that's right on the front page of their site <https://i.imgur.com/b1WGH79.png> "dramatically reduces gas consumption and transaction cost"

combined with the statement following statement from looping is the pièce de résistance:

"Some people ask me a question whether Loopring will launch our own marketplace. The answer is no. We don't have a plan to launch our own NFT marketplace, but we are working with a premium owner to make sure they can launch their marketplace successfully and very soon*, probably in Q4 and with a lot of other stuff."*

****Combine it all together****

With the help of Loopring's technology, Gamestop is going to try to uproot the NFT Marketplace market (lol).

They will do this by using "Loopring protocol can settle up to 2,025 trades per second while guaranteeing the same level of security as the underlying Ethereum blockchain" [*](https://loopring.org/#/protocol). At the same time, "the cost per transaction is reduced to as little as 1/100th the cost of Ethereum, with trades and transfers costing fractions of a cent. With Loopring, we expect non-custodial exchanges and payment apps to continue outcompeting and displacing centralized ones." [*](https://loopring.org/#/about)

One last thing I would like to say about the NFT space is that I don't quite believe it has hit the masses yet. Most of us apes are fortunate to know *about* NFTs because Gamestop led us here. But I'll tell you that most people around me don't really know or care about NFTs yet. Think to yourself do the people around you? Having the Gamestop name attached to marketplace will do so much in terms of legitimizing this in the everyperson's eyes. I will once again reference the total NFT sales graph but from a different time scale but I'll do some ape addition and leave you to figure out the result

[NFT](https://i.imgur.com/iOeUZLb.png) + [GME](https://i.imgur.com/ACiFwZa.png) = ?

TLDR: Gamestop Nft Marketplace can help solve a large problem in the existing market using looping

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