
Free-text. Add any additional information deemed relevant.

The Factoid Authority is tremendously excited as Milestone-3 (M3) approaches. If selected to host Authority Servers, we plan to meet up in Austin, Texas in May for our first Board meeting. This initial meeting will reiterate the company's strategy for the next 12 months and let us hash out some details of our internal workings, it will also set the tone for subsequent board meetings.

While in Texas we plan to visit Factom Inc, to engage with key stakeholders and maintain a close working relationship. If there are any other entities available, we will encourage meetings with them too, we believe open channels are important to maintaining a stable network.

Despite our enthusiasm, like many others in the community, we share some concerns over liquidity in the FCT market.

For the month of March, total FCT trade volume was \$80.45m*. We acknowledge this may be inflated by certain exchanges, so looking at two of the most reliable & popular exchanges, Poloniex & Bittrex::

24 hour volume share = 27.8% & 11.2% respectively. From this, we can estimate roughly \$31.37m in combined volume from these two exchanges for the calendar month of March.

If 100% of FCT from Authority Server rewards were sold everyday (using the daily close price), for the month of March, these sales would have equated to \$1.96m, or 6.24% of total volume (Poloniex & Bittrex).

We suspect that more FCT will be sold closer to the end of the month to cover fixed expenses, a more reasonable approach would be to examine percentage of server rewards sold in the last week of the month:

% of monthly server rewards sold in the last week of the month (March)	% of total trade volume for last week of the month (March)
30%	8.0%
40%	10.7%
50%	13.4%
60%	16.1%
70%	18.8%

Although, we are uncertain of the immediate effect of liquidity succeeding M3, as it's also dependent on the crypto market as a whole, we have hopes that it will increase as the protocol gains more exposure as a result of the economic stimulation following M3. From the above calculations, it's difficult to say liquidity will be a major issue in the short-term, our calculations were based on two exchanges with less than 50% of total trade volume (even if some of this is fictitious). We also expect entities to hold significant reserves for staking.

Nevertheless, we will help to alleviate any liquidity concerns in the following ways:

1. We will aim to liquidate frequently, so as to avoid mass “dumping”, or take opportunities to sell into volume as we see fit.
2. Manage accounts on several exchanges.
3. Look to liquidate OTC where possible.
4. Keep FCT reserves for staking purposes.
5. Allow FCT reserves to make up to 50% of our profitability targets.
6. If liquidity is dangerously low, Logic Ethos can cover fixed expenses and we can defer liquidating FCT until later.
7. Support & contribute to a fund for additional exchange listings.
8. Support & contribute to a fund for marketing Factom, e.g. coinmarket banner ads

**data sourced from <https://coinmarketcap.com/currencies/factom/historical-data/>*