**NFTs: The Future of the Art Market**

These days while surfing the internet or watching the mainstream news show, every other day, there is a word which you are seeing frequently. Hope you too are excited to know about that word and that is **NFTs**.

If you are enthusiastic about blockchain and crypto then I’m pretty sure that you might have heard about the NFTs (Non-Fungible Tokens) sometime. These days Most powerful component in the blockchain domain are NFTs**.** NFT is a non-fungible token. NFTs have proved to be one of the trending hot topics these days.

**What are NFTS?**

NFTs refer to Non - Fungible Tokens/ Digital tokens (the same way a Bitcoin is a digital token). You can say NFTs are also a type of crypto which are created on a special smart contract platform, Currently it is used on Ethereum platform.They are unique digital objects which seems cool to own or even profitable to trade as well. You can understand this as a digital asset as well.

Let's understand the meaning of NFTs word by word. Fungible refers to anything which is replaceable or interchangeable. Tokens refer to the units. So NFTs are irreplaceable. They all are unique. They are digital units or items i.e. tokens. The NFT is best described as a sort of digital certificate of authenticity of any art and all.

Assets like bitcoin come under the fungible items, which means that all the bitcoins are the same and completely interchangeable. An example of a non-fungible token is a piece of art. Currently, Non-Fungible Tokens are the Core Component of any Blockchain-based Event Ticketing Application or systems.

**How are NFTS related to Cryptocurrency?**

Cryptocurrency is the digital currency which is not authorised by any central agency.

NFTs are the unique cryptocurrency tokens.As the Cryptocurrency works through Blockchain, so do the NFTs. Their trading can be tracked easily.

Apart from being non-interchangeable, NFTs are indivisible too. For example in the case of bitcoin you can send Bitcoin in satoshi (**satoshi** is the smallest unit of a bitcoin) but you are not able to send a small portion of NFT to anyone.

**Difference B/W NFTs and Bitcoin**

Bitcoin and NFTs both are cryptocurrency tokens and are managed through blockchain.

Bitcoin is fungible in nature that means these are transferable, replaceable. Each and every bitcoin has the same value.

Whereas NFTs have unique values distinct from each other, they are irreplaceable.

## **It seems many of you are getting confused between What is fungible vs. non-fungible?**

Let’s take an example and understand the fungible and non-fungible

Cryptocurrencies come in the category of fungible items, which means that all the currency units in crypto (i.e., tokens) are the same and equal, for example grains of rice or dollars.

Whereas Non-fungible tokens are contradictory to that, in this every cryptocurrency unit, or token, is unique and cannot be replicated.

This non-fungible property is used by many things these days, even certain types of currencies uses non fungible tokens. In the current market trends there is a hell lot of demand for NFT, which is mostly fueled by digital art and collectibles. People figured out an interesting and unique digital object which has a significant monetary value as well. That's why the space has recently loomed, encompassing thousands of projects involving artworks, gaming, and sports.

**How do NFTs work?**

It really depends on the platform. But due to the vast majority of NFTs being created and traded on Ethereum platforms, NFTs use ethereum blockchain. The second largest cryptocurrency market capitalization after Bitcoin is Ethereum. It is a decentralized software platform used for its own cryptocurrency, Ether. NFTs are basically digital images. Its uniqueness is its existence as a digital object on the ethereum blockchain.

NFTs are immutable, meaning they cannot be altered. No one can take your ownership of an NFT or re-create it which is the exactly same one. These are permissionless, so that anyone can create, buy, and sell the NFT without having a proper permission. Finally Good thing is that every NFT is unique, so that it can be viewed by anyone.

It can be copied but originality has its own value. Let's take the example of the famous “MONALISA”. $850 million is the approximate current value of this original masterpiece by Leonardo Da Vinci. There are millions of copied paintings of Monalisa but they do not possess this much expensive value.

If you are creative enough to make your art unique, you could earn millions through NFTs. Crypto Kitties has been a trend. The average sale price for a crypto kitty was $65.76.

## **How and where NFTs can be used?**

NFTs are used in various ways and have a wide range of applications since they are a part of blockchain network. Here are some ways through which you can use NFTs in daily life.

* It can be used to Construct and curate collections
* Showcasing the public non-fungible token inventory through a various portals like social media or decentralized applications
* Non-fungible tokens are used in games as well
* Used to Gift or you can trade NFTs with other people
* Purchasing and buying NFTs in a marketplace