Note for meeting on Feb 15

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***(Purpose of testing for price convergence)***

*US electricity market*

* *The main point of the article is to discuss whether natural gas and solar energy will converge into one market.*
* *they are seeing a downward trend in gas price, since the US shale boom while the domestic solar market is also growing.*
* *They want to examine how the lower natural gas price will impact the growing solar energy market? Will it slow down, or even reverse the rapid growth of the solar market?*
* *The test result shows that the market is not converging in the national level, but they suspect there might be evidence on a regional/state level*
* *They also conclude that these 2 energies are being used as complementary since they each have distinctive complementary benefits.*

Outline of Questions:

1. Are these coins in the same market?
   1. Price cointegration
   2. Different periods may behave differently
   3. (maybe) when they start to converge?
   4. Converge to an equilibrium point vs. moving in parallel direction
2. If they are in the same market:
   1. How are they interacting with one another (Bitcoin vs all others, or each pairs,…)
      1. Substituting vs. complementing each other
      2. Network effect: is Bitcoin still the dominant player or losing ground (inferior goods, but first introduced)
      3. Speculative vs. Transactional Demand: there was a sharp drop in Bitcoin as well as other currencies’ value in January 2018. While many people think it will mark the end of crypto-market, some argue that this is the growing pain, and because prices drop, people who are investing in Coin speculatively will leave the market, and the remaining is more likely to use Coins for transactional purpose. \*this might be hard to answer since we will need data of the number of people using Coins and vendors accepting them, but we’ll see.
3. Understanding the points listed above, we might be able to see answer these questions:
   1. Do we still need regulations in this market?
      1. since the underlying confidence for this market is uncertain, and maybe with regulations, it can be more certain, so that it can continue to grow more.
      2. However, if people wanted to use it because it’s unregulated, then it will defeat the purpose of a blockchain.
      3. In addition, while South Korea and India are banning the currencies, the US regulate consumers’ behaviors rather than the system itself (the demand side)
      4. Will this market survive in the future?