

3/ The end of cash? And
crypto... currencies... assets?

Cryptos – currencies and / or assets?

- What defines a currency?
- What defines an asset?

- Cryptos exist on decentralized networks, largely based on blockchain – a distributed ledger.
- Virtual “tokens” – first Bitcoin – now thousands of “altcoins” (9,000 as of March 2021)
- Many resemble stocks

Bitcoin

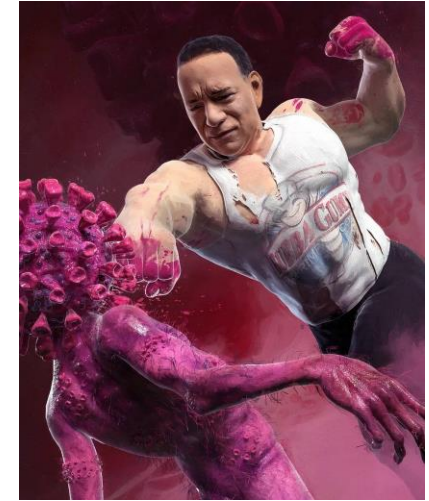
- Launched in 2009
- As of August 2021 – 18.8 million in circulation (out of 21 mn max): total market value of \$858.9 billion.
- Transactions monitored by computer “nodes” or “miners”, who run Bitcoin’s code and store its blockchain – they are paid with new Bitcoin.
- New Bitcoin released to miners is halved every 210,000 blocks (now 6.25 Btc). Mining will continue to 2140.
- Transactions are visible
- Around 11,300 nodes in September 2021
- Peer-to-peer technology and payment
- Bitcoin is deflationary?

Etherium – a platform

- A platform to build and publish “smart contracts” (self-executing contract with terms of agreement written directly into the code)
- for decentralized applications
- A programmable platform – using blockchain
- An associated cryptocurrency: Ether or ETH

- Ether market cap in May 2021: \$500 billion

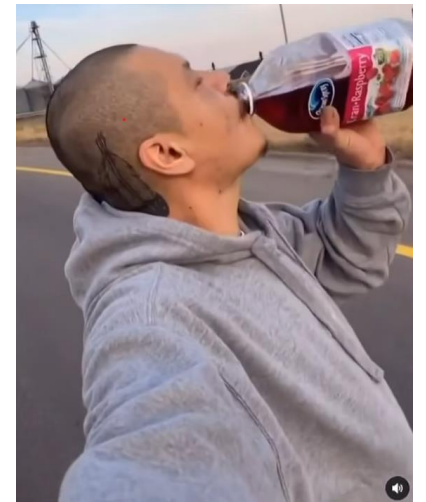
Beeple: Everydays: the First 5000 Days: sold by Christies for \$69.3 million (March 2021)



A non-fungible token: NFT



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Related phenomena

- Cryptos are high-risk assets
- Illicit transactions
- Fraud - Ponzi schemes

- But also a vector for financial inclusion in emerging countries
- A way of escaping control by main “Western” authorities – especially the US

- Stable coins – backed by a traditional fiat currency (Tether-USDT)

- Regulation – especially of security type cryptos