

“Soaring NFT sales redraw the art market”, *Financial Times video*, November 29, 2021

<https://www.ft.com/video/2cfc76ad-5e03-4230-97da-aae12a9681cb?>

This transcript is for the first 6 minutes of the video, the rest is available and so are the video subtitles.

Use the words in the text to do the crossword at the end.

<p>REPORTER: NFTs, those non-fungible tokens. (SINGING) What the hell's an NFT? Apparently cryptocurrency. [NON-ENGLISH SPEECH] SUBJECT 1: What's an NFT? This is a really good question. SUBJECT 2: A unique piece of content that's been created by an individual, obviously digitally. SARAH MEYOHAS: An NFT is a token that holds some information. NANNE DEKKING: This technology makes information unalterable. ROBERT ARMSTRONG: What I am sure of is that sales of non-fungible tokens have soared this year, shaking up the traditional art world. Sales of NFTs have also drawn attention to digital art. REPORTER: A digital artwork by a relatively unknown American artist known as Beeple-- REPORTER: It [Everydays: the First 5000 Days] sold Thursday in an auction-- ROBERT ARMSTRONG: For \$69.3 million, making him one of the three most valuable living artists. SUBJECT 5: Sotheby's sold a crypto pop, a pixel avatar for some \$12 million. Neither artwork exists the physical world at all, having been created entirely with digital technology. [MUSIC PLAYING] JASON BAILEY: I think the most talented artists in my opinion of our generation are digital artists. And in the beginning, I think that very few people ever collected digital art. No one really took it seriously because it was like I can see it for free. Why would I buy this? KEVIN MCCOY: In the context of markets, there's a traditional notion of unique property, a unique thing that's exchanged for value-- that swapped for value, and that's the basis of the art world. A painting is a physical object. It's rare. It's scarce. There's only one thing, and that can be a carrier of value. SARAH MEYOHAS: Photography is endlessly reproducible, but in order for the traditional art market to give it some sort of financial value, you need to sell a limited number of them, you need to make an edition, and they need to be physically printed. Digital art even more than photography is not meant to be printed. So it's not that value didn't exist in digital art. It's just that it couldn't be-- it couldn't accumulate financial value. GEORGINA ADAM: And until now, there was a problem with these works of art because you couldn't actually trade in them because you didn't have any way of proving that you owned it. ROBERT ARMSTRONG: The ability to verify, the provenance of a work of art, has always been essential to the market. But how can you confirm ownership when the artwork doesn't exist in the physical world? That's where NFTs come in. NANNE DEKKING: The valuable artworks are the artworks where there are no red flags. It's not rocket science because if you've been a dealer like me, I know exactly what the attributes are that create value for an artwork. So clear title is crucial. Authenticity is very important, of course. Scarcity, that helps as well. You want to know how many paintings like this were actually painted by the same artist or where does it stand within the art historical field. JASON BAILEY: So these digital artists, who I think are brilliant, had no real system of patronage and were undervalued. And what we did back then is we started looking at</p>	<p>Soaring= to soar, to rise strongly</p> <p>Fungible= inter-changeable, substitutable Unalterable= cannot be changed</p> <p>Auction= a sale where buyers bid against each other driving up the price</p> <p>To swap= to exchange, to trade Scarce= in limited supply</p> <p>Provenance= place of origin, record proving authenticity</p> <p>System of patronage= system of support, by a person or an institution</p>
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Bitcoin, and we said, well, if Bitcoin can prove that you can have something that's not tangible, doesn't exist physically, but it's limited, there's a scare-- a provably scarce amount of it, and you can prove that there's ownership to it, can't we apply that to digital art?

GEORGINA ADAM: An NFT was sold by Christie's by the graphic designer Beeple for \$70 million, and all of a sudden the art world woke up, looked around, and thought what on earth are NFTs?

[MUSIC PLAYING]

ROBERT ARMSTRONG: An NFT is a non-fungible token. When you buy a house, you get the **deeds**. When you buy a Picasso, you get a certificate of provenance.

In this new world, when you buy a work of art, what you're actually buying is the NFT, proof that it belongs to you. The proof is written in the blockchain. It's a virtual **ledger** that records the transaction and cannot be altered. But an NFT can be traded, and these crypto certificates are changing the art market with digital creators selling their works for huge sums.

ALEX ATALLAH: Because now for the first time on the internet, you can really own something and you can trade it on any market you want to including ours. So currently we're seeing a lot of really exciting activity around digital art, and it's forming a **brand new** market that never really existed. But NFTs go far beyond that. So things like event tickets, game items, domain names all could potentially be turned into NFTs.

GARY VAYNERCHUK: Anything you want. An artist can make an NFT and put in the contract that if you buy this piece of art, it allows you to have dinner with me. It allows you to come to my studio and I'll do a self-portrait. It allows you to get the paint buckets that I used. I'm sure if NFTs were around when Jackson Pollock was around and you could get the empty paint buckets that those paint buckets today would be worth just as much as the damn paintings. This is a game-changing technology because of the contract underneath the collectible.

ROBERT ARMSTRONG: So it's not just digital assets. You can use NFTs to trade full or part ownership of physical assets, too, anything from paintings to sports highlight **reels** to sports cars.

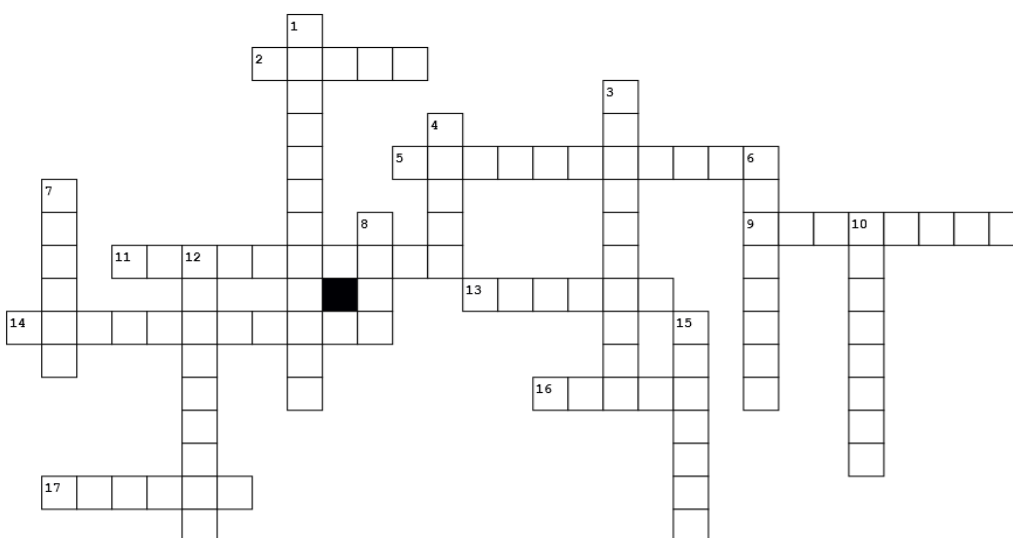
... 6:10 minutes in the video....

Deeds= here, the document proving ownership of property

Ledger= a book with money transactions

Brand new= totally new, from the shop

Reel= a device to hold film or tape



Across

2. the document proving ownership of a house.
5. something that can be collected.
9. a written agreement between parties.
11. the code used for creating NFTs.
13. single, only one copy.
14. cannot be copied or duplicated.
16. a piece of art, real estate, a share: something which has value.
17. a piece of land, a space on Internet.

Down

1. can be made again and again.
3. ~~characteristics~~
4. something serving as proof, as representing something.
6. swap.
7. ~~idea, concept~~
8. scarce.
10. skilled, imaginative, capable
12. the act of owning something.
15. ~~most famous cryptocurrency~~