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In this inaugural issue:

- Why the era of central authority is over
- Discover my special crypto-asset ranking system
- Four 'platform cryptos' to consider buying immediately

Take the power back

Harry Hamburg, Editor

"But," I asked, "how will man be after that? Without God and the future life? It means everything is permitted now, one can do anything?" "Didn't you know?" He said. And he laughed.

The man speaking is a chief character in Dostoevsky's *The Brothers Karamazov*. He's the eldest of the three brothers, Dimitri.

And in this passage he sums up a central theme of Dostoevsky's later work: "without God... everything is permitted."

I'll bet when you opened up your first issue of *Crypto Wire*, you didn't expect to be met with a quote from a long-dead Russian author, did you?

Well, aside from Dostoevsky being my favourite author, this passage sums up where we're at in the crypto revolution extremely well.

In fact, it bears more relevance to crypto than most people will ever know, as you're about to see...

God bless the nihilists

In the mid to late 1800s, Russia was gripped by the nihilist movement. Nihilists don't believe in anything. Not God. Not central authority. Not morality.

They called themselves nihilists because nothing "that then existed found favour in their eyes."

They were angry at the abusive nature of the Orthodox Church, the tsarist monarchy and an economy run by the aristocracy.

Their movement peaked with the assassination of Tsar Alexander II in 1881, and was subsequently quashed.

The Russian Nihilists were violent revolutionaries. Their methods were undoubtedly extreme and difficult to condone. But they brought up some important questions.

With no one in charge, as the

nihilists wanted, how would people behave?

With no higher power to tell us what to do, would we fall into the depths depravity, or would we flourish?

These were the questions Dostoevsky explored in is major works. His "five great novels", published between 1864 and 1880.

The buying and selling of souls

Against the backdrop of nihilism, there was also the emancipation of the Russian serfs.

Serfdom is slavery. We had serfdom all over Europe back in the day, but in Russia it lasted much longer.

In England, the Peasants' Revolt of 1381 set the anti-serfdom ball rolling. It took a while, but serfdom had largely died out by 1500. And was fully ended by Elizabeth I in 1574.

In Russia, serfdom was a way of life until 1861.

Serfs were owned by a lord and lived and worked on his land. They were allowed to keep a small portion of what they produced, and the rest lined their lord's pockets.

Serfs had few rights. They were bought and sold along with land and property. And they could not leave their holding or village without their lord's permission.

When buying and selling the land, the serfs that came with it were referred to as souls. Buy the land, own the souls. And basically do with them as you see fit.

Against the backdrop of serfdom, the nihilists' "anti-every-authority" stance is a little more understandable.

Now, what does this situation, where the people who do the work get no reward, and the people who own the land – or the platform – take all the profits, remind you of?

Serfs of our own making

That's right, today's world of tech and finance.

We rely on tech and finance giants to make our lives easier. In return they take a cut of almost everything we produce.

In fact, they don't just take a cut. Just like the lords of old, they own us. At least, they own our digital selves.

When we agree to use their platform or service, we agree to give them control over our personal data.

Just like the lords of old, they are free to do with our data as they see fit. It is bought and sold, used and abused, just like "souls" back in the day.

We have very little rights or control over our own data once we agree to use these platforms.

No one is forcing us to do this. Unlike the serfs of the past, we are submitting to a higher authority of our own free will.

We agree to their rules, their laws, their treatment of our digital selves as they see fit. In return we get to participate in *their* system.

It's not *our* system. We have almost no say in what goes on, how it works or how it evolves.

We have replaced the central authorities of lords, monarchy and ecclesiastical courts with a much more insidious order.

The central authorities of today may seem like they are providing us a service. But make no mistake, we are the product.

Financial firms like visa, MasterCard and PayPal get a cut of every purchase we make using their services.

Banks keep our money safe and spendable, all while loaning it out to other people for a much higher rate than we would ever be offered.

But perhaps most insidious of all are the tech giants.

Companies like Google and Facebook make money from our personal data, from our everyday actions.

They hold the keys to our lives, to our thoughts, to our associations, to our spending habits, to our hopes, dreams and desires. And then they sell that information on to whoever pays the highest price.

Of course, you're free to delete Facebook, not use search engines, keep your money under your mattress, smash your smartphone and only deal in cash.

But, if you want to participate in the world as it is today, that's not really an option.

And it turns out, you won't have to.

Cryptos are the response and the solution to this strange serf-like situation we now find ourselves in.

It all comes down to trust

Now, for all the scorn I've poured on these central powers, I'm also aware we need them just as much as they need us.

For instance:

We can't send money across the world without a central authority to make sure it gets there. And to prove that the person received it.

We can't invest in stocks or bonds without a broker to oversee the buying and selling. How do we know what we're getting isn't counterfeit otherwise?

We can't buy anything through the internet without an impartial third party that can reverse our payment if the people we're dealing with don't deliver.

We can't buy energy directly from producers. There is no structure in place for that. We have to pay a middleman to supply us.

We can't prove our own identity without a trusted central authority that can back up our claims.

We can't prove we own an asset, such as a car or a house or anything of value without a trusted third party to keep records of these ownerships.

We can't create our own social network. We need a central authority to securely store all the data, make sense of it and connect us to our friends.

You'll notice that what's at the heart of all these scenarios is trust.

We need these third parties because we can't trust the people we're dealing with will deliver on their promises.

At least we couldn't until bitcoin came along.

Along comes bitcoin

Bitcoin was created as a direct response to the failings of the financial system.

Its first transaction has this headline written into its code: "The Times 03/Jan/2009 Chancellor on brink of second bailout for banks."

This was no accident.

It was a statement of intent.

Bitcoin was designed to give power back to the individual and take it away from the central authority.

The way it does this is to solve the problem of trust.

You can't "forge" a bitcoin. You can't send someone a fake bitcoin. You can't pretend you didn't receive a bitcoin that was sent to your wallet. And you can't pretend to have sent someone a bitcoin when you haven't.

All of that information is permanently written into a ledger. Every transaction ever made is there on the ledger for anyone to look up and verify at any time.

No one person controls that ledger. It is created and maintained by thousands of people all over the world. All of these people have to independently agree on what it contains and all of them keep a copy.

These people are known as miners. They keep the ledger secure, and they are rewarded with a small percentage of each transaction that is recorded on the ledger.

Anyone with a computer can become a miner. There no central authority to stop you. And no central authority controls the network. It's controlled by all the different miners. This is why it's known as a distributed ledger (DLT).

This distributed ledger is called a blockchain.

And blockchain solves the problem of trust.

In ordinary transactions you have to trust the person you're dealing with. Or trust in a third party – such as a bank – to compensate you if that person turns out not to be trustworthy.

The blockchain ensures you can transact with people, even if you don't trust them. And it removes the need for a third party, such

as VISA, PayPal, your bank, etc, to process and guarantee your transactions.

This completely changes the basis of our monetary system. With no need for third parties, every transaction can be cheaper, faster and more secure.

This is why people call bitcoin a monetary revolution.

This is also why the traditional institutions fear it so much. It takes away our need for them.

It takes away the power of the big, corrupt institutions and puts it back into the hands of the people.

But bitcoin was just the beginning.

The real world-changing part came when blockchain tech was adapted to execute contracts without the need for a third party.

Smart contract supernova

First generation cryptos like bitcoin use a blockchain to record financial transactions. Second generation cryptos like Ethereum use a blockchain to execute contracts.

These contracts are called smart contracts. They are smart because they execute automatically with no need of a third party to verify them.

It is difficult to convey the scope of what this could mean for, well, everyone. But particularly for business.

All businesses are founded on contracts.

For example:

Your business provides a good or a service.

Your customers pay you for that good or service at a price you both agree on, when you deliver it in a timeframe and to a standard you both agree on.

This is the basic contract of most businesses.

Just as with a financial transaction, it requires trust. If you've ever invoiced someone and had a late payment, you'll know it's widely open to abuse.

You are trusting that the other party sticks to the terms you both laid out. If they don't you will need to get a third party involved – lawyers, the Department of Trading Standards, the Financial Conduct Authority, etc – to settle it.

Smart contracts automate the whole process. They can be customised endlessly to fit different situations. But in the most basic example, you can think of them like a vending machine.

Say you want to buy 10,000 cans of coke from Coca-Cola…

- You both agree that you will pay £0.20 a can, and you will receive them within five days.
- To make sure Coca-Cola delivers on time you write it into your purchase agreement that for every day Coca-Cola is late you will pay 1% less.
- Both you and Coca-Cola agree to this condition. You use an Ethereum smart contract to submit your order and wait.
- The contract is there on the blockchain and you can see it by its transaction hash (a unique string of digits you can search the Ethereum blockchain for).
- Coca-Cola delivers five days late.
- The contract automatically executes when this delivery is confirmed on the Ethereum blockchain. Coca-Cola is automatically sent £1,900 from your bank account.

Now, the above is a very simplistic example, but it can be applied to all kinds of contracts from all kinds of businesses in all kinds of situations.

Many of the new cryptos coming out today are based around the creation and execution of smart contracts.

There are cryptos that are used for paying advertisers, trading electricity, storing files, transferring currencies, sending messages, loaning money, registering land, creating insurance policies… everything.

Blockchain 2.0 is already changing many businesses around the world. And the old guard, the gatekeepers, the parasites we pay for our way of life know it.

The era of central authority is over

I've already shown how bitcoin can do away with companies like

Visa, MasterCard, PayPal and even the banks.

But second and third generation cryptos can solve a lot more than just financial issues.

Let's take Facebook and the huge data scandal it has on its hands at the moment. How could cryptos have made this situation better?

Well, a social network built on cryptos would mean users had complete control of their own data.

If Facebook was built on cryptos, it wouldn't be able to access its users' data without their permission. And it wouldn't be able to sell that data on without their permission.

What's more, users would be able to revoke Facebook's access to their data at any time they wished.

This would be possible because any one user's data would be split up into millions different files, encrypted and stored in fragments across thousands of different computers. None of these computers would have access to all the data, just the small fragment they kept.

Now, this is where it gets a bit complicated. But using technology developed by cryptos like Enigma, this data could remain encrypted, but insights could be taken from it. All while keeping the data itself private.

If you wanted to sell your own data to advertisers, you could. If you wanted to revoke access to your data to anyone, you could. If you wanted to truly delete your profile, you could.

But better social networks are just one small part of the crypto revolution. Any industry that relies on middlemen and gatekeepers can be improved by crypto.

A new paradigm

Think back to when telephones were first invented. You had to ring up a switchboard, talk to an operator and get them to connect your call. Eventually, this manual switchboard was phased out. There was no need for the middleman.

Cryptos enable us to cut out the middleman or third party in almost any industry that has one.

Every scenario I laid out earlier: buying and selling, stock and bond trading, proof of identity, proof of ownership... they are all easily solved by cryptos.

Let's just take a look at one of those in more detail: bonds.

Last year, companies around the world issued $3.5 trillion of bonds. That's about the same as the entire GDP of the UK.

It's a world, like most of finance, which is controlled by gatekeepers and is largely off limits to individual investors.

Bonds are mostly bought issued, sold and traded by investment banks and asset managers.

Smart bonds built on the blockchain will do away with those gatekeepers and let individuals invest directly.

They would also massively cut down on inefficiencies and be incredibly easy for companies to issue.

Here's how smart bonds work.

- A company creates its own token on the blockchain.
- That token has smart contracts built in that mirror how bonds currently work.
- Investors can buy the bond directly from the company, and later through an exchange, or by trading with other investors. It is like any other crypto.
- The smart contracts in the token give its holder a set pay-out every six months (or at whatever interval was chosen).
- This pay-out is pegged to the dollar and not to the price of the crypto. So crypto market volatility doesn't affect it at all.
- At the end of the set term the smart contract then pays out the principal, also pegged to dollar value, not crypto value.

It sounds like a great idea, right? So why isn't it all over the news, where are the trials?

They have already taken place.

One of the biggest banks in the world, UBS, conducted its first smart bond trials using cryptos

back in 2016. Here was its conclusion:

> *This experiment validated our initial assumptions on smart contracts and virtual currencies, and confirmed the applicability of these logics across our use cases.*
>
> *It also confirmed the potential benefits for our clients, the regulators and our organization: clearing and settlement on blockchain could be faster, more efficient and transparent while reducing settlement risk and operational cost.*

Like I said, the bond market is just one example. One of hundreds, if not thousands.

The impact cryptos will have is one many of today's household names may never recover from. And they know it.

These new systems built on cryptos are cheaper, more efficient, more transparent and more democratic than the ones they are replacing.

Tech giants are scared

Now, you don't get any kind of revolution without some resistance from the old guard.

And that's what we're seeing right now.

The big tech companies were built by very smart people. They employ very smart people. And they spend a lot of time thinking about the future.

They can see the writing on the wall, and they are not happy about it. Companies like Google, Facebook, Twitter et al make money by exploiting their users. Or their users' data more specifically.

If cryptos give people power over their own data, this will cut off these companies' main source of income.

At first these companies – and everyone else – looked on cryptos as a bit of a joke. But as the development went on, and the applications were built, they started paying attention.

Then the money poured in, and this brought in the press, and even more money, and even more media attention.

The world's best developers were taking up positions in cryptos, rather than traditional tech companies.

Switched-on billionaires like Mike Novogratz and Mark Cuban were piling in, telling people cryptos were the future.

New companies were raising millions in initial coin offerings (ICOs) that anyone could take part in.

New millionaires were being minted by the day, and they all repeated the mantra that cryptos are the future.

Suddenly, cryptos were more than just a joke, or "fake internet money". They were a legitimate and direct threat.

The tech giants hit back.

On 30 January Facebook banned all ads relating to crypto.

In mid-March Google announced it would ban all crypto-related ads by June.

And in late march Twitter also banned all crypto ads.

When have the tech giants ever all come together to outright ban something that isn't illegal or harmful?

Suppression and censorship are the tools used by authorities to stamp out dissent. And right now, these tech giants are giving it their best shot.

In Google's case, shortly after the ban, it announced it was working on its own crypto.

So crypto is too dangerous for us, the people, to know about. But it's fine for Google to work on.

I guess these tech overlords believe the public shouldn't be allowed to know too much about a technology that threatens their existence.

And Mark Zuckerberg has already stated that crypto is one of the main things Facebook will be working on in 2018. He devoted a large amount of his end of year post to it.

As for Twitter, well Twitter CEO Jack Dorsey is deep into crypto. He is on record stating: "The world ultimately will have a single currency, the internet will have a single currency. I personally

believe that it will be bitcoin."

In Dorsey's case, he is part of a group of high profile people who just invested $2.5 million in bitcoin's Lightening Network.

So it seems strange that these tech giants are banning crypto on one hand, and working on and investing in it on the other.

Perhaps I'm being too cynical, and perhaps they really are looking out for our best interests. Or perhaps, they see the writing on the wall.

But it's not just the tech giants.

Banks are scared

If crypto is a threat to these tech giants, it's even more of a threat to banks. After all, bitcoin was created as a response to the banks' misuse of power.

So it comes as no surprise that the banks have been banning crypto buying, too.

All of these banks have banned the buying of crypto on credit cards in the last couple of months:

Bank Of America, Citigroup, JP Morgan, Capital One, Discover, Lloyds MBNA, Halifax, RBS, Virgin Money.

Now, I would never encourage people to buy crypto on credit card. (See my guide to investing in crypto that came with your welcome pack to see how important only investing money you can afford to lose is.)

But it seems a bit hypocritical of these banks to ban the buying of crypto on credit card, while allowing people to fund their gambling accounts with those same cards.

In fact, just last week news emerged that JP Morgan has a class action lawsuit against it for fraudulently charging its customers a cash advance fee to buy crypto.

Investing in crypto is very risky. It's a new market. As you'll have seen already, prices regularly drop by 50% or more in a matter of days. Just as they regularly gain by 100% or more in a matter of days.

But gambling is literally gambling. How can that be allowed while buying crypto is banned? If these banks were really looking out for customers' interests, surely they would also ban gambling purchases.

Oh, but it's not just credit cards.

In Canada, banks are outright banning crypto purchases with customers' own money.

This month BMO Financial Group (the Bank of Montreal) announced it would not allow its customers to buy cryptos with either credit or debit cards.

And it's not the only Canadian bank. Toronto-Dominion Bank (TD Bank) and Royal Bank of Canada (RBC) have also banned their customers buying cryptos.

The crazy thing is, this is their customers' money. They are literally banning their customers from spending their own money.

I've seen many posts by people who have cancelled their accounts with these banks, citing the fact the bank is restricting the spending of their own money.

It is an insane situation, but it just goes to show how scared the banks are of cryptos.

But the regulators are hugely encouraging of crypto

Given this, you would think cryptos are illegal.

But they are far from it. In fact, the regulators are enamoured with them.

> *"I remember I was lucky enough to get into the cell-phone business back in the early 80s. Everyone thought it was gonna be a small business. They were wrong, and I got rich. I think we're looking at the same kind of transformation about to take place."*

That was a statement by US Senator Mark Warner about crypto at the Senate Banking Committee hearing on the future of crypto regulation on 7 February.

The main speakers at this hearing were Jay Clayton, chairman of the US Securities and Exchange Commission (SEC), and J. Christopher Giancarlo, chairman of the Commodity Futures Trading Commission (CFTC).

Giancarlo really led the charge in favour of cryptos. Here is a snapshot of his testimony:

In the potential applications. And by the way, I'm not a pie in the sky dreamer. I just report what I read. The applications range from enormous potential in the financial services industry, in the banking industry. But right down to the way charity dollars are spent. The way perhaps refugees are accounted for across the globe.

There was an article just this morning about the use of DLT for 2.5 billion people around the world who don't have access to banking services.

In our own area of agriculture futures, 66 million tons of American soy beans were just handled through a blockchain transaction by the Dreyfus Company, for sale to China.

So bitcoin is now being used. It's used in our American transportation logistics system.

He even went as far to say that DLT could have helped lessen the impact of the 2008 financial crisis.

And most importantly, the potential of DLT for regulators, to be able to do really close market surveillance. And if it had been available in 2008, if we had been able to see the counterparty credit exposure of one bank to another bank, in real time, with precision. That would have enabled much more precise policy choices that had to be made in a rush without good data. So I think DLT has got enormous potential.

In closing he said:

How [DLT] will be realised, when it will be realised, we can't say. But the potential seems extraordinary.

And Clayton echoed his stance:

I agree that the potential seems very significant.

Just look around anywhere in our economy where verification and record keeping has cost, that is potentially reduced. That is an opportunity for this technology. That's just one of them and I hope people pursue it vigorously.

No, there is nothing immoral or illegal about cryptos. As much as the banks and tech giants would like you to believe.

No, the situation we have right now is well summed up a famous quote from Pulitzer prize-winning author Upton Sinclair:

"It is difficult to get a man to understand something, when his salary depends on his not understanding it."

These tech giants and banks... these central authorities refuse to see the good in crypto (at least publically) because their livelihoods depend on its not succeeding.

It's as simple as that.

We also have a whole host of old-guard billionaires slating crypto every couple of weeks. Jamie Dimon and Warren Buffett are usually leading the charge on this.

But in the last few weeks we have seen other investment legends take a different view.

George Soros, the man who made the trade of the century and "broke the Bank of England", has announced his firm will be trading cryptos.

We've also see the Rockefeller and Rothschild families take up crypto positions recently. As well as Goldman Sachs-backed Circle buying one of the world's biggest crypto exchanges, Poloniex.

It's probably also worth noting that Jack Dorsey is also CEO of Square. He really is knee-deep in crypto, even if Twitter is outwardly against it.

And even some of the banks are moving on crypto.

I'm sure you've heard of Coinbase. It's the main vehicle for most people getting into crypto right now. The issue with buying on Coinbase, however, is the high fees. But soon that should be less of an issue due to Coinbase's partnership with Barclays Bank.

Barclays is the first bank to strike a deal with a major crypto exchange. And this deal will let us in UK buy crypto through Coinbase using Faster Payments. This will mean lower fees and a much easier withdrawal process.

So, as you can see. Not all of the old guard are against crypto. Just as with any technological revolution, those that embrace and adapt will remain.

Some pillars of the establishment

will remain, but they will be joined by new upstarts. And many of the old establishment, who refuse to acknowledge the potential of crypto will fall.

Just think of what the internet did to the printed press and music industry. Cryptos will do the same, but for any industry with a parasitic central authority at its heart.

Will Google and Facebook go the way of the paper press? It's unlikely, but we will certainly see some of today's behemoths fall.

The middleman's stranglehold is coming to an end

Now, a fair question to ask would be: "But if the miners are taking a cut of every transaction, aren't we still living like serfs?"

It's a good question, and it highlight one of the major misconceptions of crypto. That is, that all crypto works like bitcoin.

As I said, bitcoin was the first. It laid the foundations, but then other, more advanced and even fairer cryptos emerged.

I'll explain them in a second. But first, to address the bitcoin miners taking a cut issue.

It's true that in order to use the bitcoin, you have to pay. But the amount is completely miniscule compared to the amount you pay the financial institutions.

And perhaps most importantly, your pay is distributed to many hundreds or thousands independent of people. Not just to one authority or company.

All these people who get a tiny cut of the transaction are the people maintaining the network. And they are working independently, for themselves.

You too can become a miner and get your cut if you wish.

At least, that was the ideal of bitcoin. But over time, you needed more and more expensive equipment to become a miner. And the power that mining uses also increased massively.

I'm sure you've seen the headlines about how un-environmentally friendly bitcoin is due to the energy that mining uses.

Well, that's why newer, better cryptos evolved.

We now have cryptos that don't require mining at all. Their energy footprint is miniscule. And what's more, they are completely free to users.

That's right, sending transaction with many of the newer cryptos is free.

I'm talking about cryptos like IOTA, NANO and NEO. In the upcoming issues I'll go into how they work and how they can be free to use. But just for now, I wanted to address that problem of still paying to use the service.

Because with newer cryptos, that isn't an issue. And nor is energy consumption.

As these new, more democratic and decentralised institutions rise up, what will the world look like?

Without central authorities to rule over us, make money from our private data and take a cut of our every transaction, will we feel any freer?

Realistically, probably not.

But at least we will have more control over our own lives. And at least we will have the opportunity to make a lot of money in the process.

Because that's the last piece of the puzzle when it comes to the pull of cryptos.

This is the first technological revolution you can directly invest in

What we are seeing is the democratisation of technology. A new paradigm. And one anyone is free to invest in.

Because that's another huge boon for this new age of cryptos. This is one of the first technological revolutions that anyone can directly invest in.

It wouldn't be very good having a revolution that gives power back to the people, if you can't even get involved in it yourself.

But that's the thing with cryptos, they make it easy for you to back, invest in and own a piece of this new paradigm.

Throughout the next issues of *Crypto Wire*, I will be listing my favourite cryptos, in a variety of different areas.

I'll be covering platform cryptos, currency cryptos, utility cryptos and hybrid cryptos.

(If those terms don't mean anything to you yet, have a read of my crypto guide you got in your welcome pack.)

For now, we're just going to look at my five favourite platform cryptos right now.

Like owning land in the California Gold Rush

The key to them being a platform is in their ability to utilise smart contracts.

They are called platforms because they are essentially a platform on which to build other cryptos and apps (or decentralised apps. Dapps, as they are known in crypto).

You can think of platform cryptos as being like land. If a thriving community is built on that land, the land increases in value. Think how much a plot of land in the centre of London, New York or Tokyo is worth.

These platform cryptos are laying the foundations of new data cities. The more they are used – the network effect – the more they will increase in value.

On any given plot of land a business can be built and fail, but the land is still worth money. And in time a better business will be built on that same plot of land and succeed. The more valuable a business built on this land, the more the land itself it worth.

You could make the tired analogy of "buying picks and shovels" here. But that is the most overused analogy in all of finance. And it still doesn't really ring true. Even in the California Gold Rush (which is what that analogy refers to) most of the people selling those picks and shovels also owned a lot of the land.

Land is the foundation everything else is built on.

With that in mind, let's take a look at my five favourite platform cryptos.

Introducing the crypto ranking system

It's all well and good me talking about the different cryptos you can investing in, but what we really need is a way to assess how much potential each one has.

We need some kind of objective – or at least as objective as something like this can be – ranking system.

So that's what I've developed.

Every time I talk about a crypto I think is worth investing in, I will put it through this ranking system so you can get a better idea about its strengths and its weaknesses.

However, and I want to stress this, my opinion and my research should only be the beginning of yours.

In the world of crypto it is extremely important to do your own research (DYOR). Things change, new information comes in by the day and new revelations unfold. It's hard to stay on top of everything.

I dedicate hours and hours every day to researching the latest news and developments in crypto. In fact, while you're reading this, I'm actually at a blockchain and energy conference in Berlin. But even I don't know a lot of what's happening in this space.

So before you put any money into any cryptos, you need to do your own research into them.

For every crypto I rank I will also include a list of resources you can use to do your own research on that crypto.

Here's how you can go about it:

Read the white papers – actually do it. Seriously.

White papers are where the creators of the crypto lay out their plan. They explain – usually very simply – how it works and what it hopes to achieve.

This is the starting point of your research into any crypto you want to invest in. You can learn an awful lot from the crypto's white paper.

Go on the crypto's website

Have a look around the crypto's website. Don't get suckered in by a flashy website. Look for the section on the team and check their backgrounds. If they have a ? over their face or don't give much background, steer clear.

Look for any partnerships they have and get a general feel for the crypto.

Take a look at the Reddit communities

Reddit is one of the best places to find information on any crypto. You have hundreds, if not thousands of people adding to the debate. If they post something useful they get an upvote. If it's false or not useful it gets a downvote.

The upvoted posts and comments rise to the top. So it makes it easy to get good information fast.

The only thing with Reddit communities is that they will all shill their own coin, and mostly only post positive news about it.

So it's also a good idea to search for posts about that coin on other cryptos Reddits so you can get a more balanced view.

Now, on to the fun part – how we rank cryptos.

Each crypto will be ranked out of 45, and then given a percentage

The ranking system has seven parts, just like the seven deadly sins or the seven virtues. They are:

Scope

This is the crypto's vision. What it hopes to achieve and how much impact that could have on the world.

This is ranked out of 10.

Team and partnerships

It doesn't matter how grand your vision is without a strong team behind you, and without connections in the right places. A strong team with a history of success and strong ties to industry can set a crypto flying.

This is ranked out of 10.

Why the tokens have value

So you have a grand vision, a strong team and good connections. But in your system, will the actual crypto – the token people will invest in – be needed.

You get a lot of cryptos that sound like great ideas, but when you look into them, there is really no nothing giving the tokens any value. In extreme cases, the entire crypto could function without tokens at all.

This is ranked out of 10.

Passive income potential

This one is sort of like a bonus. It's a guaranteed income. Most people don't realise this, but a lot of cryptos pay out the equivalent of dividends just for holding them, or for doing a minor bit of work.

If your cryptos are paying you dividends, you have the power of compound interest on your side. And what's more, if that crypto really goes up, you have a viable passive income on your hands.

I believe the idea of crypto income is so strong that I will be dedicating the entire next issue of *Crypto Wire* to it. So look out for it next month.

This is ranked out of 5.

Competition

This one is straightforward. How much competition does this crypto face, and is it already a market leader?

As this area is so new, and as there is competition for all cryptos from many different areas, I have put slightly less importance on this factor.

That is why this is ranked out of 5.

Ease of use

Now, cryptos by their nature are complicated. It's a big idea to get your head around. I mean, I've written thousands of words in this issue and barely scratched the surface.

However, for cryptos to truly hit the mainstream, they need to be easy to the layperson to use.

Most cryptos get this. Think about Apple, it's not the best or the fastest or the most advanced. It is simply the most easy to use. It just works.

However, in the world of cryptos I don't see ease of use as being quite as important as some of the other components in this ranking system.

So this is ranked out of 5.

Caveats

Of course, we need a place to dock points. A crypto may be promising in all the above areas, but it may have a glaring flaw that needs to be taken into account. That's why I'm including a caveats section in

the ranking.

This will be a negative rating and will bring down the overall score. A score in this category is a negative, not a positive number.

This is ranked out of (minus) 10.

Total

All of this together gives us a theoretical perfect score of 45.

Of course, no crypto is going to achieve a 45, but a higher score indicates more potential and most likely a better investment – in my eyes at least.

Now, as I said, this ranking is just a starting point. It's important that you build on it with your own assessment before you put any money in.

Along with this ranking, I will also include these other sections. These are more time focused, so they don't figure into the score.

Current market cap and what that means

Just as with stocks, the market cap of a crypto has a huge bearing on its risk level and profit potential.

A smaller market cap means it has big potential, but is likely a lot riskier.

A bigger market cap means it's likely more stable, but less likely to rocket thousands of per cent in a matter of weeks.

Again though, this is crypto, not stocks. And often some of the highest market cap coins drop 70%+ in value, or rise 500%+ in value in a matter of days.

Trigger points

Are there any upcoming developments, announcements, partnerships or breakthroughs.

In the world of crypto, a new release, partnership or rebranding can send prices flying.

Conclusion

As you can no doubt guess, this will be paragraph or two on my overall thoughts about the crypto, taking all of the above into account.

The ranking system is simple. And it's simple for a reason. There is so much that is unknowable, new and untested in crypto, it's impossible to set any firm conclusions.

I've seen other crypto analysts who use spreadsheets to develop in-depth cost, worth, and fair value assessments. But how can you possibly know the "fair value" of an asset that is so new and undiscovered?

The potential of cryptos is far beyond what most people realise.

Then again, how can you have such a definite system to asses an asset class that will regularly drop 50% for no discernible reason?

The one thing you can be sure of in the world of crypto is you can't be sure about anything.

No one knows how big this industry will become. No one knows how big the next bull run will be, or how long it will last. Just as no one knows when the next crash will be or how long that will last.

I have developed a simple ranking system that makes it easy to see the best and worst points of a particular crypto. It's a starting point for you to do your own research. Nothing more, nothing less.

Which brings us on to perhaps the most important question of all.

How money much should you be investing here?

I've said it before, many, many times. But I'll repeat it again here. Only invest money you are okay with losing.

And by losing I mean that you are literally okay with throwing away.

The only way you are going to keep your head in this market is by not being emotionally invested.

By that I mean you need to be able to watch your crypto portfolio fluctuate by as much as 60% a day, maybe more, and not flinch.

The only way you can achieve this is by only investing money you can happily do without. And happily is the key word in that sentence.

I've written before about buying in the day before a crash and watching my money tumble. In fact, I managed to invest in Ethereum the day before three of the biggest crashes in 2017. By January 2018 my total average

gains were around 900%.

They would not have been so high if I'd been investing money I cared about. I would have sold in the crashes. The fact I didn't care about the money let me keep researching and keep holding.

By the same token, like everyone else, I was hit by the crash. Currently I'm only up around 180%. This is the world of crypto. It goes up and down – a lot.

That's not to say you should just blindly hold on to your cryptos with the belief they will always shoot up in the end. Many won't. At this stage in the market it's impossible to know what will happen.

As I say in the guide you got in your welcome pack, it's also a good idea to have some price targets in mind and sell a certain percentage of your stack when you hit those targets. That way, when the next crash comes – and it will – you have made a concrete gain.

You've seen how much of an unprecedented revolution this is. You know the potential on offer here. But the only way you can make the most of it is by not overreaching.

So I'll say it again. Never invest money you're not prepared to lose.

Now with that in mind. Let's move on to the fun part.

My three favourite platform cryptos, ranked

Right now, my three favourite platform cryptos are Ethereum, NEO and Nebulas.

So let's see how each one stacks up in the rankings.

Ethereum (ETH) – the king of crypto

Scope

In terms of crypto, ideas don't get much bigger than Ethereum's. It aims to be a world computer. A decentralised tool for building Dapps, for creating news systems, for launching new companies and technologies.

There are almost infinite potential uses for Ethereum and the systems that it can be used to create.

This is not a one-trick-pony crypto. It's not about just being used as a currency or for decentralised storage, or for keeping records or proving your identity. It's designed to be the foundation of the entire crypto ecosystem.

In fact, the vast majority of new and emerging cryptos are built on top of the Ethereum platform. These are called ERC20 tokens. And chances are, if you see or have invested in an ICO, it was an ERC20 token running on the Ethereum platform.

Ethereum has the biggest scope of all cryptos. It could well end up being the one crypto to rule them all. And for that, it gets a 10.

Scope: 10/10.

Team and partnerships

The Ethereum Enterprise Alliance is... well, I'll just let them explain what it is:

> *The Enterprise Ethereum Alliance connects Fortune 500 enterprises, startups, academics, and technology vendors with Ethereum subject matter experts. Together, we will learn from and build upon the only smart contract supporting blockchain currently running in real-world production – Ethereum – to define enterprise-grade software capable of handling the most complex, highly demanding applications at the speed of business.*

Its members include Microsoft, Intel, Samsung, Santander, Shell, UBS, MasterCard, ING, Cisco, BNY Mellon... the list goes on. It has over 400 members from major industries all over the world.

While smaller cryptos hit the news and shoot up in value on news they are working with one company, Ethereum has an alliance of hundreds.

It also has the world-famous Vitalik Buterin as its co-founder, as well as a vast team of developers.

In fact, it has around 30 times more developers than its next rival. As Andrew Keys stated in a ConsenSys article this January:

> *We have reports from a large analyst firm that suggest the Ethereum community has 30 times more developers than the next blockchain community. Just the fact that you're seeing*

that type of developer adoption is imperative. If you go back through history, whoever has the developers tends to succeed.

So, again, Ethereum gets a 10.

Team and partnerships: 10/10.

Why the tokens have value

Right now, for every transaction you make on Ethereum you need to pay a small amount of Ethereum.

You also need Ethereum to buy into ICOs.

Ethereum can also be used as a currency, just like bitcoin.

And just like bitcoin, Ethereum is a base pair in many exchanges. In order to buy smaller cryptos, you will need to buy into either Ethereum or bitcoin first.

So, unlike some cryptos, Ethereum tokens are vital to participating in its network. They are also vital to participating in a vast number of other networks.

For all the above reasons, it gets another 10 in this department.

Why the tokens have value: 10/10.

Passive income potential

Well, this one will be linked to the trigger points section. Because at some point this year Ethereum is attempting to switch from a proof-of-work system to a proof-of-stake system.

What that means to users is that instead of mining to secure the network, it will be secured by validators who hold certain amounts of Ethereum.

You will lock up your Ethereum for a set amount of time. This locked-up Ether will be used to secure the network and you will receive a reward for helping the network stay secure.

In basic terms, you will be able to get Ethereum dividends for simply owning and locking up your Ethereum.

The figures on how much you will need and what percentage return you will get aren't decided yet. But you could be looking at around 5% annual return.

When thinking about the massive gains you can get just from price rises, 5% may not seem great. But what if Ethereum went up by 500%, and then you were getting an extra 5% interest on that. It would be a very good passive income.

As this isn't implemented yet, and as the figures aren't finalised, I am giving Ethereum a 3 in this category.

The potential is there, but we don't know just how good the income will be until it is implemented.

Once proof of stake launches I will update this section. But for now I think a 3 is fair.

Income potential: 3/5.

Competition

As I said in the team and partnerships section, Ethereum processes more transactions than any other crypto. It also has many times more developers than any other crypto. And many times more partnerships than any other crypto.

However, as the current king of platform cryptos, it also has a massive target on its back.

Other newer cryptos, most calling themselves third generation cryptos, are gunning directly for Ethereum.

And some have the power to bring Ethereum's price down dramatically. For instance, EOS, an Ethereum rival, has a lot of Ether collected from its ICO.

EOS can and does regularly dump Ethereum on to the market to bring Ethereum's price down.

Ethereum is also now branded as a second generation crypto, while newer allegedly more advanced cryptos bill themselves as third generation.

Still, Ethereum is making huge progress that these newer cryptos aren't. It may in fact be close to solving the scaling problem, which would be absolutely huge for the entire industry.

It is still way out in front, even compared to these new upstarts.

So, for competition, Ethereum gets a 4.

Competition: 4/5.

Ease of use

Ethereum is a gateway crypto. By

that I mean, you can buy into it directly with fiat money. You can also buy it directly on some of the most simple apps and websites, like Coinbase.

Ethereum also works with every hardware wallet out there. So it scores highly for ease of use.

Still, it's not as easy to use as the fiat money system just yet. You still need some technical knowledge to understand it. So for ease of use, it gets a 4.

Ease of use: 4/5.

Caveats

Okay, here's where we need to look into some potential pitfalls.

The main one with Ethereum is all the money that ICOs have collected. This money is stored as Ethereum because that's what people used to buy in.

The ICO craze is part of the reason for Ethereum shooting up in price over the course of last year. But when these companies decide to sell their Ethereum, it can also crash the price.

And with regulators now cracking down on shady ICOs, many could dump their Ethereum to pay for legal fees, or just to cash out when they see their coin will be shut down by the authorities.

I see this as probably the main risk of investing in Ethereum – aside from the general crypto market risks. And it's a fairly big one.

So for caveats, I'm giving Ethereum a -4.

Caveats: -4/-10.

Total

This gives Ethereum a total of 37/45.

Putting it into percentage terms, it gets a score of 82%.

Current market cap and what that means

Right now, Ethereum is the second biggest crypto by market cap.

So this makes it savvier (in crypto terms) than many other cryptos. It also makes it seem like it has limited growth. However, in the world of cryptos, even the number one can rise by more than 10x in a year.

Also, right now, Ethereum is 67.5% down from its all-time high set on 13 January 2018.

If the market gets back to where it was in January, there's every chance Ethereum will also get back up to that $1,432 per token.

Trigger points

Of all the cryptos out there, Ethereum has potentially the biggest upcoming trigger point. In fact, it has more than one.

Firstly, we have Ethereum's switch to proof of stake, which I talked about in the income section.

This change to proof of stake will be known as the Casper upgrade.

When this happens it could draw in a huge swath of investors looking to collect a passive income on their crypto investments.

And as Ethereum is one of the most well-regarded and safest cryptos, the fact you can also get an income from it will be a massive boon.

When is proof of stake (Casper) coming?

Well, no one is quite sure, but Buterin has stated it will be coming at some point in 2018.

This could be a monumental trigger point for Ethereum and see a flood of new money buying in.

Then we have Plasma. This is a project Ethereum is working on with OmiseGo. Essentially Plasma will solve the transactions per second problem.

Plasma will allow millions, or even billions, of transactions per second. If it works out the way it's supposed to, it will launch Ethereum into the stratosphere. At this point it will be very hard for other cryptos to compete and even more money will flow into Ethereum.

Plasma is also supposed to be coming by the end of the year.

So as you can see, the future of Ethereum could be very bright indeed.

Conclusion

I see Ethereum as by far the safest bet in all crypto.

Ethereum already processes more

transactions than every other crypto combined. It has countless major companies working with it and has a number of working Dapps built on it.

When you see an ICO the chances are that crypto is built on the Ethereum platform.

No other crypto has anywhere near the network Ethereum already has, or anywhere near the amount of developers. And it's the network effect that is driving crypto.

Basically, if Ethereum fails, it's going to take the whole world of crypto with it. If it succeeds, it's going to be the "tide that raises all boats".

We also have the two huge developments coming to Ethereum this year: Casper and Plasma.

As you can see above, these trigger points could be absolutely monumental for Ethereum – and for the entire crypto industry in general.

If you can see past the general market malaise right now, an investment in Ethereum, at this low price, could set you up for unprecedented gains.

So I would recommend you make Ethereum your biggest holding, by far. Anywhere from 25% to 70% of your entire crypto portfolio.

But remember to do your own research before you invest. Don't just take my word for it.

Ethereum resources:

- White paper
- Website
- Reddit
- Coinbase, where you can buy Ethereum directly
- How to store Ethereum on your Ledger wallet
- CoinMarketCap page

NEO (NEO) – the Ethereum of China

Scope

NEO essentially is an Ethereum competitor. It has smart contracts, just like Ethereum does. It can have other decentralised applications built on its platform, just like Ethereum.

In fact, it has already had a number of ICOs use its platform to launch.

The main differences between NEO and Ethereum are NEO already uses a type of proof of stake, not proof of work. So owners of NEO get dividends for simply owning it.

It also already has speeds of 1,000 transactions per second, and can theoretically function ay 10,000 transactions per second. Right now, Ethereum can only manage around 15 transactions per second.

NEO is also, in theory, quantum proof. So when those quantum computers arrive, they shouldn't break NEO, even if they do break just about everything else.

Another advantage is the number or languages its programmers can use. Ethereum developers have to use its solidity language, NEO programmers have a choice of five, and more are coming.

NEO is often referred to as the Ethereum of China, as it is a based in China and created by a Chinese team. As is obvious, China is huge. And Chinese people tend to like their own systems – Alibaba over Amazon, WeChat over Facebook, etc.

So NEO has access to a huge market that many of its competitors never will.

In terms of scope, this has just as much as Ethereum. So it gets a 10.

Scope: 10/10.

Team and partnerships

One of the major criticisms levelled at NEO is its small team of developers. People often joke that is has only one.

In reality is probably has at least a couple of hundred. But nowhere near what Ethereum has.

Compared to Ethereum's industry partners, NEO's are pitiful. In fact, I'm finding it hard to find any of note. Although in January NEO announced it was partnered with KPN, one of the world's biggest telecom companies.

Aside from that Microsoft often sponsors NEO events, but that's about it.

The thing about NEO is, however, its community is very strong. In fact, a community member coded an app so NEO could be stored on Ledger wallets. This was officially approved by NEO and Ledger and

now you can store your NEO on a hardware wallet.

And that's just one example of the great community support it has. So although it doesn't appear to have many major industry partnerships, it has a very strong grass-roots community.

Added to this is the strong ties it is alleged to have with the Chinese government. Although it's difficult to find if it actually does or not. It certainly gets talked about a lot.

If the Chinese government ends up championing NEO, it will be huge. But that remains a big if.

So for team and partnerships, NEO gets a 7.

Team and partnerships 7/10.

Why the tokens have value

Again, NEO has all the benefits of Ethereum in terms of token value. But it works a bit differently, which I'll go into in the next section.

Why the tokens have value: 10/10.

Passive income potential

Okay, here's where NEO gets interesting.

So, when dealing in NEO, it is only divisible by one. Unlike other cryptos, you can't own half, or 0.003 of a NEO. You can only own it in whole numbers.

You can buy it in less than whole numbers on exchanges, but that's because you don't actually own what you have on an exchange until you transfer it to your own wallet. So if you bought 1.6 NEO on an exchange, you could only transfer 1 NEO to your own wallet. Or buy another 0.4 and transfer 2.

The reason for this is because NEO isn't designed to be used in smaller transactions. It's not designed to pay for things.

That's where gas comes in.

Each NEO generates gas. In fact, it generates exactly one gas over 21 years. But this gas is being generated continuously. Gas is essentially a dividend for owning NEO. Gas in itself a tradable token.

One gas is usually worth about 1/3 of a NEO. But that price is free to fluctuate with demand. Gas is also highly divisible and is used for both small and large transactions.

In order to deploy and to implement smart contracts on the NEO network you have to pay in gas. That payment then gets distributed to NEO holders.

So, as well as the naturally generated gas from owning NEO, you also collect payments from people developing and using smart contracts on the network.

There are online calculators that work out your rate of return for holding NEO. (I will add the link to one in the resources section at the end of this ranking.) Right now, you get around 3% a year in passive income, just for holding NEO.

But in order to collect this gas, you need to hold it in your own wallet.

As I said, you can store NEO on your Ledger wallet. So it is easy to set up and start collecting that passive income.

So, for all of the above, NEO gets a 5 for passive income.

Passive income: 5/5.

Competition

Well, NEO's biggest competition is probably Ethereum.

It also has all the other platform cryptos gunning for it, too. But it has a big following and it has a strong unique selling point that it is Chinese. So in Chinese markets it will be very hard for other cryptos to compete with it.

It is also already well established and working, and it has had a number of successful ICOs on its platform.

People also like it because it provides a good passive income.

So for competition, it gets a 4.

Competition: 4/5.

Ease of use

Although buying NEO involves one more step than buying Ethereum. It is just as easy to move and store. Its wallet is also, arguably much easier to use and simpler than Ethereum's.

You can store it on your Ledger wallet, and it is very easy to do so (see my link in the resources section to find out how). So for these reasons, it gets a 4.

But please note, you can't store NEO on your Trezor wallet yet, only on a Ledger wallet.

Ease of use: 4/5.

Caveats

The biggest strength of NEO is also its biggest weakness: China.

Yes, this is a huge market and could propel NEO to massive heights. But, at the moment, China isn't too pro crypto.

China is notorious for its crypto crackdowns. And last September when China caused a massive market crash by banning exchanges, NEO was hardest hit.

I remember it tumbling from around $48 right down to $13 in a matter of days. People were saying NEO was done. It was over. China could shut it down at any minute...

Of course, NEO eventually came back, and China loosened its stance a bit. In the next few months NEO soared to around $162, and it now sits around $68.

So, as you can see, NEO is very much at the mercy of China's whims – perhaps even more so than any other major crypto.

And so it gets a -7 in caveats.

Caveats: -7/-10.

Total

This gives NEO a total of 33/45.

And a score of 73%.

Current market cap and what that means

NEO currently stands in 9th place on CoinMarketCap's top 100 coins.

At time of writing, it has a total market cap of $4.2 billion. We can contrast this with Ethereum's $50 billion.

So, even if the overall crypto market doesn't grow, NEO still has a lot of room to grow itself as it moves up the rankings.

And there's every chance it will do. There are many less useful cryptos that are currently worth much more than NEO at the moment. So its growth potential is big.

It is also one of the fabled "top 10" coins, which means it draws a lot more media interest, and a lot more interest from investors than cryptos outside this category.

Trigger points

The main trigger pints for NEO are ICOs. In order to get into an ICO on the NEO blockchain, people either need to pay in NEO or gas, and this demand pushes up the price.

It has around 40 upcoming ICOs this year, and anyone could send the price of NEO upwards.

Another major trigger point is if the Chinese government announces it is working with NEO. This is a fairly likely scenario and would send NEO's piece through the roof.

Conclusion

NEO had an absolutely huge surge over the course of 2017. For much of 2017 it was trading for around $0.14. Then, by September it had hit $47. That's a 33,000%+ gain. This mostly coincided with it rebranding from Antshares to NEO.

At its peak this January it was at around $162. Some people made over 115,600% on NEO in that 12-month period.

A £100 investment in NEO on 30 January 2017, would have been worth over £100,000 on 30 January this year. Even today, in the midst of that crash it would be worth about £48,000.

Aside from showing the phenomenal investment potential of cryptos, it also shows why many in the community love NEO. It made them very rich.

As such, it has a very good community and is generally well received by crypto enthusiasts.

It is also one of the very best cryptos you can buy for a guaranteed passive income.

And what's more, it has a lot of room to grow.

The downsides are its China connection. But, as I said, this could also prove to be its biggest advantage. The Chinese government will have a big say over just how well NEO does in the future.

It's also very easy to use and store if you have a Ledger wallet.

In all, I really like NEO, and it gets a very high score of 77%.

If you want to buy NEO, it's probably best to get it on Binance. Of course, you'll have to buy either bitcoin or Ethereum first so you can then trade it for NEO on Binance.

NEO resources:

- White paper
- Website
- Reddit
- NEO to gas calculator
- How to store NEO on your Ledger hardware wallet
- Binance, where you can trade Ethereum and bitcoin for NEO
- CoinMarketCap page

Nebulas (NAS) – A true 3.0 crypto

Scope

When people talk about Nebulas, they call it "the Google of blockchain" (not to be confused with Ark), but it's really a whole lot more than that.

Nebulas has a few major selling points.

Firstly it will list smart contracts and Dapps across all blockchains and rank them. This is a fantastic idea. It will basically make it easy for people to see what they can do with blockchain tech. If a smart contract is useful and used it will get a higher rank.

This will make the entire ecosystem of crypto more user friendly and it will show people what can be done with it.

To most people smart contracts are an abstract idea; this will make them more concrete. You can think of it sort of like the Apple App Store or Google Play, but for decentralised apps.

On top of this, it will pay the top developers and apps on its own blockchain with Nebulas tokens.

This will be a big incentive for good developers to come and develop on Nebulas. If they make something that is useful and so ranks well, they will be rewarded.

What's more, Nebulas is the first blockchain that lets developers write in many different languages. From the Nebulas white paper:

> *NVM (Nebulas virtual machine) also supports developers to develop smart contracts and applications with their familiar programming languages, such as Solidity, more flexible JavaScript, and even pure functions type of language Haskell. In addition to these popular languages, NVM can also provide customized high-level languages for different areas and scenarios, such as DSL (domain-specific language). These high-level languages are easier to be formally verified, further improving code robustness and security, and more conducive to the developers developing richer Smart contract and application.*

The ability for developers to write applications for Nebulas in JavaScript is massive.

Nebulas will also never require a hard fork to change its protocol. It has been created so it can be continually improved – this is what makes it a "blockchain 3.0".

And this is all on top of what the usual things a platform crypto can do, ICOs, etc.

So for scope it gets a perfect 10.

Scope: 10/10.

Team and partnerships

Nebulas was created by NEO co-founder Hitters Xu.

Xu was a co-founder of NEO, and as such was monumental in its success.

Over the course of 2017, NEO was one of the biggest gainers in all crypto. I read more than one account of people making millions from their NEO investments (they invested when NEO was known as Antshares, before its rebrand).

Have a look at my conclusion in the NEO ranking to see what kind of gains NEO made people over the course of last year.

There was a great technical analysis of Nebulas written by a Reddit user a couple of months ago, and I will quote part of it about the team here:

> *The developers are highly educated with real blockchain experience. In fact, many have worked at Google, IBM, Alibaba, Alibaba financial, Airbnb, etc... Additionally, two Nebulas founders previously co-founded the NEO coin (formerly Antshares) which on January 20, 2018 trades at $140.00 (not*

even its high) per coin/token.

No doubt, the team is influential in past, current and future blockchain innovation. In fact, playing a huge part in bringing blockchain to China, Hitters Xu created Bitsclub, and many other team members started blockchain communities.

Yes, this crypto has former Google, Alibaba and Airbnb people working for it.

Just on the team's strength alone, it would get a 9.

However, Nebulas also has big partnerships on the make. I suppose that was inevitable given its team and its connections.

In February, it announced its partnership with Dolphin Browser.

From the press release:

Nebulas, a Decentralised Search Framework have announced a strategic partnership with MoboTap (Dolphin Browser), a multinational mobile technology developer, to assist the integration of distributed applications within the MoboTap ecosystem, inclusive of its core product Dolphin Browser – a mobile browser utilised by over 200 million users supporting 25 different languages across 130 countries.

So it now has an audience of 200 million users that it can introduce to its Dapps and other developments.

So Nebulas gets another perfect 10 in this category.

Team and partnerships: 10/10.

Why the tokens have value

You'll probably have noticed I'm giving all of these platform cryptos a 10 in this category. That's because by their nature, platform cryptos' tokens are valuable.

They are not like a project that is just using blockchain for the sake of it, they are the foundation. So just like NEO and Ethereum, Nebulas gets a 10 in this category.

Nebulas also has the advantage that its developers can be rewarded in Nebulas for developing good Dapps and bringing more users to the system, thus increasing Nebulas' network value.

Why the tokens have value: 10/10.

Passive income potential

The income potential of Nebulas isn't so great. It will use a proof-of-devotion algorithm to keep its network secure.

This is good for the overall network as it is good for developers. But if you're just a holder and not actively developing Dapps and smart contracts, you won't get any passive income.

You could always come up with a Dapp idea and get a team to help you make it and then if it worked well you would get a very good passive income, however.

So I can't give it a 0. But it's unlikely that you are going to get your own Dapp developed.

So it gets a 1.

Passive income potential: 1/5.

Competition

Nebulas takes a different approach to competition. It wants all good cryptos to succeed. That's why it developed its ranking system.

So it's not really in competition with other platforms. If they do well, it can do well by showing people the best Dapps and smart contracts – even if they aren't built on Nebulas.

But, Nebulas is very new. It only launched its mainnet at the end of March. So it has some catching up to do. Still with the team it has, that shouldn't be too hard.

So for competition it gets another high score, a 4.

Competition: 4/5.

Ease of use

Right now Nebulas is an ERC20 token.

What that means is it's a token on the Ethereum blockchain. So right now it is very easy to use, you just store it in your hardware wallet, like any other ERC20 token.

Where it gets complicated is Nebulas launched its mainnet – so its own blockchain – at the end of March. As I said this is a very new project.

At the end of May, all the Nebulas tokens that are currently on the Ethereum blockchain will be swapped on to the Nebulas blockchain.

Nebulas will send out very clear instructions on how you do this. So it shouldn't be too hard.

It's not yet clear if Nebulas will be supported by hardware wallets right away. So that could be an issue as you might have to store it on your computer. This would not be a good long-term solution.

Given this, if you're fairly new to cryptos I probably wouldn't buy into Nebulas until after its tokens can be used on its mainnet – most likely end of May.

If you're more experienced, you could buy in now – it's listed on Huobi. That's where I bought it – store it on your hardware wallet and then follow the instructions to switch your tokens to its mainnet in May.

As you can see, right now, it's not super easy to use. So it only gets a 2.

Ease of use: 2/5.

Caveats

The main caveat is covered in the ease of use section above. The switchover to the mainnet and the need to swap your tokens is a bit annoying for inexperienced users.

Nebulas is also extremely new, and not yet battle-tested. There could be bugs in its code or unforeseen roadblocks.

When the mainnet launches properly, it will also release more tokens into the network. Early investors had the chance to lock up their tokens and get more back in return. Given the rules of supply and demand, we would imagine this will send the price down.

However, along with the full mainnet launch, Nebulas will have a huge marketing campaign and likely be listed on new exchanges. So the full mainnet launch will likely send prices up not down... after all, look at what the NEO team managed to do with its marketing last year when it changed its name.

So for these reasons, it gets -3 on caveats.

Caveats: -3/-10

Total

This gives Nebulas a total score of 34/45.

And a (rounded) 76%.

Current market cap and what that means

Nebulas is currently in 71st place on CoinMarketCap. It has a market cap of just $207 million.

Given its team and its aims, it could definitely be a top 10 coin by the end of the year.

It is certainly more valuable and unique than its 71st position would suggest.

Even if Nebulas were to only make it into 20th place, at today's values, that would mean it was 600% up. And that's if the market stays static. (Although more tokens will be released with the mainnet token swap, so it would actually be less than 600%.)

I really think that given its current market cap in comparison to most other cryptos out there, it has huge potential this year.

I would not be surprised if it was up 500% or even 1,000% by year-end. Of course, that's if the whole crypto market doesn't completely capitulate.

Trigger points

The main trigger point is the full mainnet launch. This is going on right now. When the token swap takes place and the big marketing campaign launches – around the end of May – we could see lift-off.

There are also lots of development stages coming up over the course of the next two years as more features come online. So Nebulas should have a steady stream of new developments and news which could send the price up.

Conclusion

I like Nebulas, a lot.

It has a strong team, it has a good community, a unique idea and already has a strong partnership.

I also like that it's a "mid-cap" crypto. So is has massive room to grow, even if the overall market doesn't. Of course, this makes it riskier than a "blue chip crypto" – something in the top 10. But then ALL cryptos are *incredibly* risky.

If Nebulas "does a NEO" it will make investors a phenomenal amount of money. But even if it doesn't, I still think it has a very bright future.

Personally, I have around 7% of my total crypto portfolio in Nebulas.

Resources

- White paper
- Website
- Huobi, where you can trade Ethereum and bitcoin for Nebulas
- Reddit
- CoinMarketCap page

And as a special bonus, my very favourite right now: IOTA

Well, we're almost at the end of the first issue. Don't worry, future issues won't be anywhere near as long as this one. I'll try stick to around 2,000-3,000 words.

But I couldn't release the first issue of *Crypto Wire* without ranking my favourite crypto right now: IOTA.

I firmly believe this crypto will go on to change the world. I will cover it in more detail in future issues. But for now, let's just get it ranked.

Scope

IOTA's main selling point is that it's not a blockchain at all, it's a directed acyclic graph (DAG).

Now, what that means is pretty complicated. (If you want to do a deep-dive into it yourself, you can have a read of IOTA's white paper here.) But basically it gives IOTA some advantages over almost every crypto out there.

Namely:

Scalability – the more people that use the network the faster it gets. This solves the "transactions per second problem".

Mining – there is no mining. Well, not in the traditional sense, basically if you want to make a transaction, you have to approve the last two on the network. So the power consumption of IOTA is negligible.

Free transactions – that's right, sending information and transactions over the IOTA network is FREE. This is a monumental achievement. And this is one of the cryptos I was talking about earlier that solves many of bitcoin's issues. Free transactions mean a fairer world.

Because transactions on IOTA are free, it can be used for machine-to-machine transactions. This is its main aim. So think smart cities, driverless cars, etc. Each machine will have a wallet and will interact with other machines using IOTA.

This is not a pie in the sky idea. IOTA has a partnership with Volkswagen group – the world's second biggest carmaker. The idea is that by using IOTA, driverless cars will be able to charge and pay for themselves autonomously. This has already been tested at the start of this year.

And the smart cities idea is being tested right now by Taipei. I'll talk more about "smart cities" in a future issue.

IOTA has many real-world use cases that are already in development.

It will also implement smart contracts, just like other platform cryptos.

I could write an entire issue on the scope of IOTA. But for now, let's just say it's a solid 10.

Scope: 10/10.

Team and partnerships

As I just said, IOTA has partnerships with Volkswagen and the city of Taipei. It also has partnerships with Bosch – which has components in almost every car in the world, and a whole lot more besides – and Fujitsu.

It has its own foundation, which is adding impressive board members every couple of weeks. For instance, the chief digital officer of Volkswagen joined earlier this year.

And its developers are so good that they created a crypto unlike anything that has come before it. They are regularly at conferences around the world and keep the IOTA community up to date on all its developments.

So for team and partnerships, it's another 10.

Team and partnerships: 10/10.

Why the tokens have value

Now, unlike blockchains, IOTA encourages all Dapps building

on its platform to use the IOTA network itself. Not to create their own new tokens.

This means that more information is sent through the IOTA network, which:

A – speeds it up.

B – brings more value to it.

Now, sending transactions on the IOTA network are free. But IOTA tokens are not free to buy. They go up in price, just like any other crypto. So if companies want to use the network, they need to buy IOTA tokens. Thus, it has a very strong value proposition for its tokens.

Most blockchains can't function in this way, but IOTA can. And this is another key reason why it's such a great crypto.

So for this category, again, another 10.

Why the tokens have value: 10/10.

Passive income potential

You can't "stake" your IOTA to get an income. In fact, I can't find any way to get a passive income just through holding IOTA. That's not what it's designed for.

Perhaps there will be a way to get a passive income from IOTA in the future, but for now, it has to get a 0.

Passive income potential: 0/5.

Competition

Other blockchains don't like IOTA. It is competition in the worst sense for them, in that it is better technology.

Just as Ethereum had to go through a lot of hate from bitcoin, IOTA has got a lot of hate from many established blockchains.

If IOTA succeeds in its vision, it will make many other cryptos superfluous.

But, by the same token, IOTA is superior to almost every other crypto out there, in many different ways. IOTA is the crypto other cryptos fear, not the other way around.

And so, for competition it gets a 5.

At the moment, it is truly unique.

Competition 5/5.

Ease of use

Right now, this is where IOTA falls down. It's not easy to store and transfer.

Its wallet is complicated and there is massive room for losing your funds if you're not careful.

However, a new super user-friendly wallet is currently in beta testing and will be launched in the next couple of months.

It is also getting Ledger wallet integration, which again will be ready in the next few months.

So, right now, for ease of use, it's low, at a 2.

If you want to buy IOTA right now, I would suggest buying and storing it on Binance until the new wallet comes out.

Ease of use 2/5.

Caveats

Firstly we have the wallet issue. Have a look at ease of use above for that one.

Then we have the fear, uncertainty and doubt (FUD) that other cryptos and the people that support them spread about IOTA.

Late last year there was a massive scandal about an MIT researcher apparently breaking IOTA's code. This absolutely tanked IOTA's price. It turned out they never broke IOTA's code and were on the board for a rival crypto. So it was a FUD campaign by a rival.

The price still is affected by this incident, even though the IOTA foundation has fully refuted it and the entire email exchange has been posted online. It was a very long exchange, but I read the whole thing and IOTA came out very well. The researcher did not.

In terms of caveats, I see almost all of IOTA's as strengths. It is keeping the price down, all the while it is being adopted by and making deals with industry leaders.

So for caveats, it only gets a -1 for the wallet. And this issue should be fixed very soon.

Caveats: -1/-10.

Total

This gives IOTA a total of 36/45.

And a score of 80%.

Once it sorts its wallet issues, it will be even higher.

Current market cap and what that means

IOTA currently has a market cap of around $4 billion. This puts in in 10th place on CoinMarketCap.

IOTA does everything that bitcoin does and more; in fact, everything that most other cryptos do – and a whole lot none can do. So the growth potential here is great.

If IOTA were to make it to 4th place – where Bitcoin Cash currently sits – it would more than 3x its price.

But the potential for IOTA is much bigger than that. As it becomes widely adopted by industry, its growth is almost impossible to estimate. Out of all the cryptos I've talked about today, IOTA probably has the highest growth potential.

But, it is unique technology, and it could always fail. All cryptos are inherently risky, and one that even more advanced is even more risky for that reason.

We also have to think about the FUD campaigns IOTA is, and will continue to be, subject to. Although, like I said, I see these as positives.

IOTA is currently way down from its all-time high set on 12 December 2017. It's 74% down in fact.

If it were to climb back to that price, it would be a 287% increase from today's price. For that, we'd probably have to see a full crypto market recovery though. And if that happens, there's no telling how high IOTA could fly.

Trigger points

Firstly we have the wallet release. When this gets its full release and is shown to be user friendly, it will draw a big pile of new users.

There is also a mysterious development called "Q". This is supposed to be a complete game-changer.

Only the IOTA foundation members know what it is right now, but whatever it is, it's big.

Here's what Ralf Rottmann, who recently joined the IOTA foundation board of directors, said about in on Discord earlier this month:

> *"Q is groundbreaking technology innovation. I honestly don't see any other tech company or project in this space coming up with anything similar."*

Intriguing, isn't it?

Adding to this we have partnerships being regularly announced and industry heavyweights continually joining the IOTA foundation.

Also, when one of IOTA's partners, like Volkswagen, Fujitsu or Bosch, announce new developments that use IOTA, the price could also spike.

So as you can see, IOTA has a great many potential trigger points coming up.

Conclusion

As I said. IOTA is my favourite crypto right now. And hopefully by now you have a good idea as to why.

It's simply leagues ahead of anything else out there, in its tech, its partnerships and its ideas.

The number of systems that could one day run on the IOTA network is unprecedented. It could one day soon be powering the world.

And what's more, the people who work on it have even more belief in it than I do.

IOTA staff members get paid in IOTA tokens. That's how much the people working on this project believe in it. They are staking their futures on it.

IOTA resources

- White paper
- Website
- Binance, where you can trade Ethereum and bitcoin for IOTA
- Reddit
- CoinMarketCap page

And with that, I'm drawing this first issue to a close.

I have set out exactly why the crypto revolution is such an important one. How much of the world it will change – and how much money I think you could make by being a part of it.