

... Crypto Research & Analysis



Hunting trains!

from Halfpasthuman.com

bare naked Wealth #4

Cryptocurrency Research & Analysis

by clif high

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Hunting Trains! July 2017

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Notes to Readers:

This is the period of the 'hyperinflation' language that has been forecast in the ALTA reports, and the previous bare naked Wealth report. Not all of the alt coins are showing in our data sets as surviving through the period of hyperinflation, which is also not clearly defined in its extent, but does show as continuing through into Fall (northern hemisphere).

Again note that we are linguistically within a period defined as 'hyperinflationary'. This means that inherently risks are masked, or hidden by large capital inflows, but they still exist, and if anything are magnified.

Trade on the information within this report at your own risk.

WARNING! Danger Will Robinson! Stop now. Go back up and read again!

Legend:

In analyzing alt coins, I seek for **clarity** of purpose, **quality** of code, **dedication** of community, and **capability** of code implemented by the community to reach the purpose.

Please note the following observation: UNLIKE previous technology driven social changes, there is no inherent first mover advantage in CryptoSpace. Software innovations can easily be copied, eliminating any claimed technology advantage.

Codes to be encountered in this report:

Acquire to hold [long term, short term to be indicated] = applied to specific tokens or coins or complexes.

Acquire this space [sub categories of cryptocurrency] = portfolio balancing should include from this space.

Cautious Acquisition = likely short term profit potential exists, but some aspect of the coin, the space, or the developing environment suggest being very aware of changes with the expectation of rapidly exiting the coin or space.

Flutter = potential exists, the space is cluttered, the coin/token/complex under discussion does not have enough differentiation or data to warrant more than a minor play due to some small level of future potential. Acquire and transfer out during periods of rising demand strength should developments warrant, but likely outcome is none to small levels of growth over the shorter term.

Punt = acquire with awareness of risk, potential for immediate release pop, **likely** followed by near term drop and uncertain future prospects.

CryptoSpace

Where are the trains?

Most of cryptocurrency sub set of cryptospace is today occupied by cloning of basic blockchain technology either from already released sources such as Ethereum, or from private development efforts, or from public development projects. Without regard to the source, these are all within the same general business use category.

Stated another way, if the blockchain was a railroad track, we have many companies, groups, organizations all working to develop the next biggest, baddest improvement on the railroad rails.

I look for groups who are building trains, and engines. And stations, and telegraph lines, and all the other stuff that railroads bring. These are efforts that produce such as Veritaseum. While the rails themselves are important, it is the engines and the dynamic activity they bring that we pursue. Note that eventually, infrastructure fades into the background.

To provide a point of reference, Veritaseum is a train engine. I hunt trains.

R&A

-Augur

This is a distributed prediction market built on the Ethereum blockchain. This form of prediction market is not a proven technology just yet. The technical questions are not about the inherent functions of the market of placing and recording bets, but rather the issues of scaling with success, and whether the system itself can be 'gamed'. Prediction markets work on the assumption that the crowd is going to be more consistently correct about predicting the outcome of visible future events than any given individual. While true in concept, implementation of the idea in software usually begins as some form of collective betting pool. Without regard to the design chosen, the growth of such markets brings problems both in recording and matching the 'bets' on the future, as well as the 'flattening' of the accuracy curve for the marketplace in general.

A growing niche of actual business being conducted on the Ethereum blockchain, and in that sense, certainly in the 'necessary infrastructure' category for cryptocurrency. Examine the offerings in this space carefully for approach taken in the software as these can vary greatly with some inherent limitations in each as potential limiting factors.

Augur has good language showing up, and due to its name, does have representation within our predictive linguistics data processing approach. Vulnerabilities include increasing competition, potential to keep up with success, and potential for their system to be manipulated. This is true of all of the players in this space, and Augur is not being singled out in these respects.

Acquire this space for long term value growth.

Cautious acquire this coin. Review quarterly or with news.

Civic (ICO)

Civic is another entry in the identity field. This is a competition filled arena with more startups aiming at it daily. Not to say that Civic will not persist, but rather that there is nothing within the Civic data that suggests it will even compete as a dominating presence. Also there are issues arising with legal definitions of aspects of the general space in USA markets that may impact in next few months.

Other, and better technology is available that is mobile OS based, with much greater potentials. See humaniq below. Punt potential.

funfair fun token (ICO)

<https://www.funfair.io/token-event/>

Unlike other non-mined 'coins', the Funfair Fun token does not skirt Securities issues as their tokens have an immediate use, inside their online casinos. Noting that gambling is going to continue, and Funfair does have a reputation already established as an effective online gaming entertainment provider, the concept should be seen as a 'captive loyalty token' more than a cryptocurrency per se, though as 'captive tokens' they will be spendable in any of the supported sites, but note all the supported sites are gambling oriented.

Critique:

The concept of FunFair is to provide support for online casino gaming across the Ethereum blockchain. The white paper includes a description, albeit at high level, of their technology innovations, and they do look very promising. The approach certainly will work for speed, and there are not any apparent flaws in the design for the 'social' part of their support system for developers and casino creators. Bear in mind that FunFair is not going to be building and running online casinos, they are going to be building the online casino tools. Their issue about the speed of transactions is accurately placed in how the ethereum blockchain works, and it has a better than even chance of working and dominating the niche.

Their rewards and payouts concept is also very well considered, and seemingly well adapted to developing cryptocurrency world in action.

A non mined coin, the FUN coin will have 40% (almost) reserved out for founders and advisors.

The FUN coin will have consumption of the currency over time in the system, its costs, and payouts.

Acquire this coin.

Hold for growth.

humaniq

One of the social engineering coins that probably will be able to make it, the humaniq coin is designing a 'mobile bank' for the 'unbanked' population across the planet. This market size needs to be considered as it is in the billions of people needing access to banking services without any hope of obtaining them.

Conceived of as more than a coin, but rather as a strategic vision, the humaniq is a very ambitious plan. Their approach is certainly achievable, and the facts of the size of their market speaks for itself.

Critique:

The approach is solid, at least as represented by the white paper and the work subsequent. The presentation for humaniq has a sufficiently robust level of social message, but it does not intrude on the practical message being brought forward. The plan of action for the humaniq crew is clear, easily followed, and already providing proof of concept with early successes.

It is clear that the large market of nearly half the population of the planet is worth pursuing, and humaniq has first mover advantage in this market, as well as a very practical approach with a clear path to success. The process is underway, and the humaniq organization has allied itself with the appropriate social and technical trends which further enhance its potential for long term value and continuing, growing success in the mission. Which, of a necessity, will bring yet more people into the cryptospace.

Very good use case, very good social presence. Nice structure to organization, early success points achieved.

Acquire for long term potential.

Acquire and hold for value appreciation.

Lisk

The Lisk coin is yet-another-competitor to Ethereum. Of course there are differentiation points, among them the reliance of Lisk upon JavaScript.

Note: to those non coders, the debate over programming language comes down to reliability, speed of execution, security, and ease of development. Fundamentally to get the first three, you lose some of the last. So JavaScript as a core component to the project has instantly produced a large proportion of the descriptions from the Lisk organization arguing in support of the choice of programming language. From this perspective, the presentation from the Lisk organization evokes a perception of being behind the curve.

Yet another builder of railroad rails, and these are thought to be of inferior steel. Yes, the public relations and sales efforts for Lisk are being effective, but the real issue is not now, but 5/five months from now when Lisk is facing slowdowns as other networks are implementing new speed records.

Not recommended.

NEM

The NEM (New Economy Movement) coin has lots of social support, a long history of use (since 2015), adoption by vested business interests including banks. Other successes include the adoption of the NEM technology within the Minjin network.

The NEM network is ported over from Java to C++, which, at the bytecode level, makes a huge difference, including the ability to perform human level optimization. The expectation for speed and reliability increases are quite significant to both the network, as well as the business model.

The NEM (XEM) coin has lots of effective data support that we are able to mine. The results of that mining are indicating that the coin has a pattern, or is developing a pattern, similar to Bitcoin, that is to say, a 'crocodile tooth'. This pattern is similar in nature to the 'double top' pattern that chartists reference, but has differences insofar as the ability to plot relational math in non linear growth patterns. Stated another way, with the crocodile tooth pattern emphasis on time, and the 'when' of movement, rather than the amount, or even direction, it is possible to anticipate market movements when chaotic influences prevail. The XEM token has such price movements. The timing of its movements are presenting a forecast for yet another 'tooth' to form. This suggests that a period, similar in length to the last double top formation, will be starting again in July 2017. The range of the double top, or crocodile's tooth for this formation is indicated to be over twice the total range of the just ending, current tooth.

Competes in the same cryptospace & business space with Stratis, Tezos, Ethereum, Ripple, Stellar Lumens, Lisk, and yet more not quite on the scene.

Acquire for growth potential. Note active trading produces volatility and extreme swings within ranges frequently.

Populous

This coin is offered as a representation of a 'factoring marketplace' in which invoices against future collections are sold for cash now. While invoice factoring has existed for decades, this entry is new to the space in how it is being conducted. By employing the use of smart contracts across the Ethereum blockchain, Populous is creating a distributed market for factoring at a level that eliminates many of the costs in the process. Further their approach is designed to widen the marketplace to include small businesses at many levels who are not being served within traditional channels for invoice factoring.

The language around Populous shows very long legs for this sub space in cryptospace. This set may well be dominated by the first mover advantage that is still open for claim. Populous may well make that claim.

This offering represents our next opportunity for a real train engine and not mere track laying. The concept, the work so far, the language for the sub space in general, and this offering in particular could not be better placed for the niche being targeted.

The above being noted, technical issues remain with the rate of Gwei burn due to storage costs, but the

approach as specified within Populous design documentation is easily adjustable for increasing base network costs over time, as well as offering many opportunities to extend and optimize the XBL (a business 'mark up' language for contracts) being developed.

The space for factoring will heat up as the contracts themselves are not difficult to craft thus offering low barrier to entry, however note that badly crafted contracts will have very large costs due to storage, rather than computations. This will show up in poor performance that grows over time.

We will review this space frequently for new train engines being built.

Availability in USA issues unknown at this time.

Acquire for long term value.

Acquire for immediate appreciation upon launch.

Hold for long term value growth.

Stratis

Stratis is a interesting concept similar in nature to the complex model token in which the token is an access required coupon pre-sold, and pre-delivered. The same model in Stratis is focused on bringing C# code to the ethereum network, as well as producing yet another rail building effort for business. The Stratis \$Stratis access token has value that is backed by the brains and capacity of the organization, and their blockchain with its processing.

The Stratis organization is basing itself as a consultancy for blockchain related work using expertise in C# and .Net frameworks with that in-built tendency to thus focus more on Microsoft technology support for enterprise level applications. The idea is that Stratis will be focused on implementing blockchain applications for large corporations both internal, and as noted, external on the Ethereum blockchain. The Stratis organization is also positioning itself to provide launch pad services for blockchain applications, and their support.

This is a blockchain, and thus mined, token, with very tight, specifically focused use cases. The people within the organization are clearly talented, and also focused. Early results are promising, and supportive of the value currently seen in the token.

Vulnerability sets include team management breakdowns, inability to cope with unexpected growth, and problems on the underlying Ethereum network. Should these develop, the value of the coin would be tested along with the firm.

Evaluated as an organization, the result would be well positioned, well managed, tightly focused, promising future. That they are based on proven C# (pronounced 'C sharp') programming language and deep level skills provides a very competitive edge in the blockchain infrastructure industry.

\$Stratis as a coin has to be considered to be a reflection of the combination of the organization, its management and their work, both in flow and result.

Acquire for short term flutter growth. Watch carefully over early 2018 as the space becomes more populated.

Tezos Foundation (ICO)

Tezos Foundation is founded by Kathleen and Arthur Brietman. It is being touted as a replacement or competitor to Ethereum as a network, and as a coin/token.

The founders are from Goldman Sachs, and other banking interests. There are also associations with very large 'accounting and consulting' corporations. All of that colors their ideas of the 'marketplace' for their product, and is directly influencing both their language and their behavior.

There is big money in the form of billionaire (Tim Draper) is said to be 'backing' the ico for Tezos.

Critique:

Note that Tezos is a 'foundation'. The organization is touting a distributed network competition for Ethereum, and chooses to arrange itself as a 'foundation'.

The language of the Tezos site, as well as the many examples being offered in public relations venues by the founder, are providing a view of a group that is in an intense fight. Tezos core developers, and its operating crew are viewing themselves as saviors of the distributed smart contracts world with their 'unique' contribution which is viewed as the use of Michelson proofs for code for smart contracts. Their idea is that Ethereum as a network is languishing due to the failure of Ethereum to provide proof of correctness to code prior to letting contracts be launched.

The language offered by the founders in their public appearances, as well as the language at Slack and other coin developer forum postings, is showing some very clear signs to avoid this offering. First there is a delusional perception of themselves as 'saviors' to the Ethereum concept, a failure to note that their one point of differentiation is both easily copied, and not at all on consumers awareness. Further, their language betrays both arrogance, and passive/aggressive patterns.

There are slight hints of social themes within the language for/of Tezos, however, given the arrogance of their other language sets, the impression is one of an elitist view at odds with the space they are trying to enter.

The math proofs they are touting are not being sought by the market. Their smart contract programming language is OCAML, which, while a decent language, robust, and supported by many libraries, is still a relatively isolated, French focused programming language. It is designed for what are termed 'abstract machines', and while the Ethereum Virtual Machine, upon which all smart contract software runs, certainly fits that description, the OCAML language is not well suited to development of smart contract code. This is due to it being first an interpreted language, and second to the large, and bloated bytecode it produces (a side effect of its robust nature for large scale applications). Even though a descendant of Caml Light, this version of the compiler produces even more bloated bytecode than expected of 'enterprise level programming language'.

As a practical approach, for Tezos to chose OCAML over Solidity has already put them behind the Ethereum adoption curve, and falling further back faster.

May well make coin in the ICO. But crowded space already, and growing by the day.

Punt potential.

NOT a long term hold recommendation. Most likely outcome is dissolution due to market forces and the Ethereum long lead time ahead of Tezos, and the increasingly crowded space, and the mind set betrayed by the language of the core development group.

Reviewed coins latest:

Antshares

First effective mover in ChinaPop cryptocurrency space. Good code, hugely dedicated team and community, many many use cases, great API, good localization program on the API and all docs. A long term growth potential larger than anything else in the space at this time.

Note: commercial ventures seeking entry into ChinaPop cryptocurrency realm should examine for the API, and other value. Acquire for growth, use.

Ardor

Yet another railroad rails solution in search of a specific problem. Yes, good social language, but no real differentiation. Flutter.

Augur

Prediction marketplace over Ethereum network. Cautious acquire.

Bytecoin

A competitor in the 'digital cash' space, Bytecoin claim to fame is zero-fee transactions, as well as egalitarian mining capability. This last is an outgrowth of the early days of cryptocurrency when the technology communities became upset by commercial mining operations for the coins.

Flutter potential, not seen as a strong challenge to others in the space.

Civic

identity coin...an also ran in a very crowded space. Better tech available, doomed to be superseded by phone based tech. Punt.

Cloak

Competitor to Monero, tighter code, good dev team, focused community, privacy to Nth degree focus

for technology, good delivery. Acquire for use, and long term growth, several very shocking pops in dollar price coming later in 2017 and beyond.

Dash

Effective competitor to LTC in technology, also with ETH in price and positioning, though not technology. Acquire for use, long term growth.

Digibyte

A rail line already in use in many commercial payment systems. Acquire for hold. Slow growing space but long term potentials.

Dogecoin

Favorite of many for no damn good reason at all, very large community, decent levels of engagement, continuing efforts. Cautious acquisition.

Etherum Classic

slowly progressing, lower level sibling of ETH in terms of price and volumes.

Factom

Distributed storage on their own blockchain. Growing presence in a space that is getting more crowded by the day. Yet to be proven as dominating technology in this space. Flutter.

Golem

Based on the idea of 'idle' computing power and the use of it as a distributed network computer for hire. Basic premise is not sound in a world of decreasing costs for computing hardware. Code and implementation are adequate but will not be able to keep pace with advancing hardware changes.

Litecoin

Increasingly speedy blockchain, acquire for long term growth and use.

Monero

Tight code, specific use case, privacy focused. Acquire for long term and use.

NEM

Acquire for growth potential. Longer term value, some near term pops.

Nxt

Another ambitious rail builder. The claim to difference is that they provide bits and pieces of engines for your use to build your own locomotive. Will face some adoption issues in general use. Flutter.

Maidsafecoin

Yet another rail builder, but with very grand ambitions to craft a complete and 'safe' replica of the internet. Product differentiation is based on P2P storage. The coin is merely a token for fund raising for the larger vision of replacing the internet (basically). Faces huge adoption issues as a product, and thus the coin, while it has presence, and social value, shows no longer term value in the data sets. Several of the 'unused' or 'spare' computing power schemes are showing as ending badly as they 'clog up resources' with success. Flutter at best.

Peercoin

This is both a P2P network with attached blockchain, special encryption, and a commercial style rewards program in which 1% comes back to network users annually. The network is long in development, robust, and still facing competition as yet another railbuilder. Albeit with a 1% back rewards program. Flutter, or cautious acquire. Review frequently. This space is crowded.

Ripple

not mined, punt potential. Doubtful technology. Bank dependent.

Skincoin

Niche coin, well constructed, large niche (e gaming in general), active developers, monetarily focused (which suggests good management practices (maybe)) in the future. Acquire e-sports space. Acquire this coin for longer term performance. Occasional technology driven pops expected.

Siacoin

Billed as 'your decentralized cloud', this coin makes a good use case for the idea of the service of decentralized storage. There are many issues with delivery of any form of blockchain storage, not the least of which is availability, unlike with a centralized cloud company. Reviewed previously. Certainly flutter potential, and may be able to differentiate itself and maintain the first mover advantage. Cautious acquire.

Steem

This is a popularity token on the social media platform Steem. It is traded, albeit in low volumes. It's vulnerabilities come from no external sources of value flowing into the Steem platform, thus the Steem coin is banking on presence to make it an effective trade with other cryptocurrency offerings. Its

largest vulnerability comes from the non-earned method of acquiring the token. It requires that one be popular on the Steem network in order to get 'up-voted' such that more Steem is sent your way based on the internal popularity algorithm.

Some persistence showing up in the data about the platform but not the coin. Punt potential.

Stellar

Competitor with Ripple in the banking space. Non mined, technical problems await, vulnerabilities include anything that happens in the banking sector. Not recommended.

Stratis

Consulting company, short term flutter potential.

Tezos

Yet another railroad rail builder using French based 'steel' with claimed math proof that has no real demand. Backed by big money, and arrogant language....yeah, sure this will work out real well. Punt.

Waves

Yet another railroad rail builder. A direct competitor to Ethereum, and all its other competition. No easily identified point of differentiation from the competition. Punt.

Zcash

A Dash coin challenger, good approach, nice development so far, committed team. Acquire for hold, use, and growth.

Conclusion: What am I looking at?

To learn to see is not difficult. To learn to observe is usually quite difficult. Observation means you know what it is that you are seeing. So it is 'smart seeing' in that it brings a developed context to the viewing of what ever is the object of the observation.

In the cryptocurrency space, it helps to read code. However, value can be determined in other ways in this arena. This is where observation comes into the picture. We need to first be able to categorize what we are observing. Read the web pages of the cryptocurrency in question. Are they building rails for the railroad, like Ethereum? Or are they building software engines to run on these software rails? The idea being from this level of observation that the planet only needs just so many rail builders.

We need more engine builders. We need more train stations. We need dining cars, entertainment (and

bookings) cars, we need package forwarding, and temporary, secure storage. We need to build a city.

So, in the future, put your observation to work on the language of the cryptocurrency that interests you at that time, understand that this will go on for years, if not decades. Use your observation to decide, what am I looking at?

Does this language reflect rail builders? Or a locomotive factory like Veritaseum?

At this point in cryptocurrency history, there are very few factories, so once we get all the rail builders clustered together, the remaining non rail builders can be observed for the gems in the crowd.

Teach yourself to observe.