

The ULTIMATE Guide to NFT

From art to sports trading cards, people spend large amounts of money to acquire non fungible tokens. And some of the sellers are making millions of dollars in profit.

The crypto collectibles sector, known as NFTs (non-fungible tokens), has increased in popularity in 2021. Recently an artwork created by NFT-artist Beeple was sold for 70 million dollars!

Some may argue that forging a Leonardo Da Vinci or Pablo Picasso painting convincingly would be much more difficult than convincingly producing a copy of a digital piece of pixelated artwork.

However, this does not appear to be impacting NFTs popularity. Some thought leaders in the art world have been critical to this trend, others have been open to this disrupter.

Christie's, the famous auction house founded in London in 1766, sold its first NFT in October 2020 and just announced this month that it would auction off its first Beeple.

Everydays: The First 5000 Days, in collaboration with MakersPlace, in an auction ran from February 25 through March 11.

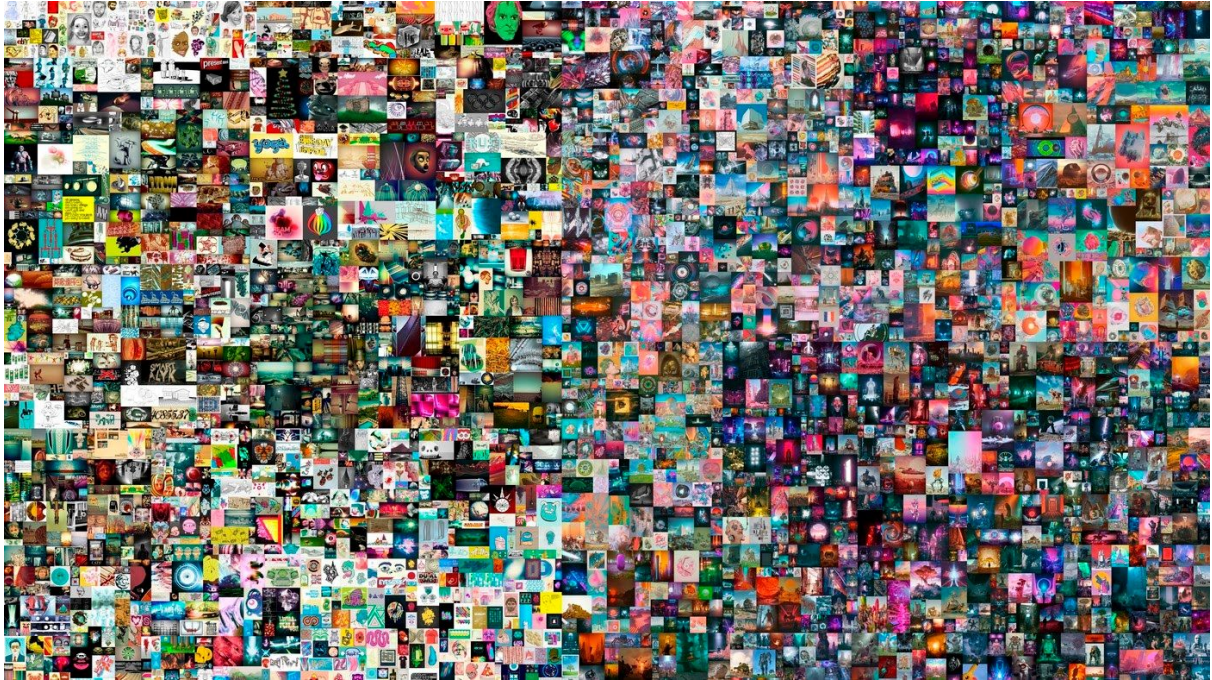
Unlike most Christie's auctions, the bidding for this auction was conducted only online.

NFTs are unique cryptographic tokens that exist on a blockchain and cannot be replicated. NFTs can be used to represent real-world items like artwork and real-estate. "Tokenizing" these real-world tangible assets allows them to be purchased, sold, and traded more efficiently while reducing the probability of fraud. NFTs can also be used to represent peoples identities, property rights, and more.

Non-fungible tokens and smart contracts: A new way to settle transactions.

Much of the current market for NFTs is centered around collectibles, such as digital artwork, sports cards, and rarities. YouTube Celebrities such as Logan Paul have also released their own NFT's.

Perhaps the most hyped space is NBA Top Shot, a place to collect non-fungible tokenized NBA moments in a digital card form. Some of these cards have sold for millions of dollars. Recently, Twitter CEO, Jack Dorsey, tweeted a link to a tokenized version of the first tweet ever written where he wrote "just setting up my twttr." The NFT version of the first-ever tweet has already been bid up to \$2.5 million.



A digital art collage by Beeple, a pioneer of the exploding virtual art market, which sold for a record \$69.4m.

Arc, a visual artist from Saudi Arabia, was initially skeptical of how cryptocurrency could be adopted in the art world. He didn't know much about the technology and was doubtful of its reputation. Last year, a representative from KnownOrigin, a digital art marketplace powered on the Ethereum blockchain, approached Arc on Twitter and he agreed to give the platform a try. The representative helped him set up an artist account and a cryptocurrency wallet, and covered the "gas" fees Arc paid in order to upload and "mint" his artwork on the blockchain.

So there's a problem called "persistence". When you own a painting, you can put it in your vault. When you own an NFT of an artwork, you're relying on someone to keep that artwork in the same place on the internet, forever. Thankfully the blockchain guarantees that the NFT can't just be deleted/vanish. Blockchain databases are here to last and are likely to outlive many generations of humans. They're a gift for future historians.

CryptoKitties was the first project to take NFTs to the mainstream. Launched in late 2017 at the ETH Waterloo hackathon, CryptoKitties featured a primitive on-chain game that allowed users to breed digital cats together to produce new cats of varying rarity. “Generation 0” cats were auctioned off in a declining-price Dutch auction, and new cats could also be sold on a secondary market.

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