

July 2020 TJ Connolly thoughts on Bitcoin, Crypto, Blockchain, Banking, and a New Industry

At times I share my perspective with you all on Bitcoin and the Crypto-Asset industry. It has been awhile since I last posted anything here on the topic and given the recent increase in business developments and value across this sector, I thought it time to share an update.

As you may recall, I write here on this topic simply because I believe it is revolutionary, similarly to the internet's impact on our lives during the late 1990's into today, and as a revolutionary development, history has shown these events are often unappreciated by most people until they become commonplace. At that time of mass adoption or use, the early adopters are rewarded while others lament that if they only knew earlier what could have been.

Now, I am a believer in this sector for I recognize that the internet changed our lives in so many ways, but in one critical aspect it did not. That aspect was banking. We still maintain the same economic relationships with banks that we did in the 1980's and before. They are the middlemen in every financial transaction we undertake. They are involved in our credit cards, our home mortgages, our savings, payroll deposits, bill payment, etc. The banks charge us fees for their services and pay us little for the use of our money that we deposit with them. As I noted, this is one aspect of our lives that did not change during a time when the internet changed so much of our personal and business behaviors.

Cryptography technology has been around for a very long time. It's use in securing everyday financial transactions of everyday people on the internet through the use of Blockchain technology has not been around for so long. It began in 2009 when Bitcoin was introduced. It has been doubted, criticized, ridiculed, dismissed, and ignored for years. That environment is now rapidly changing rapidly into a more favorable view. Governments, banks, and industry overall are adopting crypto platforms and the Blockchain for the next iteration of technological development. It is happening today.

To give you an idea of where we are today, consider that the Crypto Blockchain industry sector now has a market capitalization of \$300 Billion. The volume of Blockchain tokens that trade each day approximates between \$30 and \$60 Billion per day. These tokens represent individual company business platforms that utilize the tokens for commercial activities on their platform. They have value based on the token usage on the individual platforms and the demand for them. They provide interest rates on deposits in support of the platforms, and they enable transactions that are unique to each platform while also enabling usage across platforms. This may sound a bit like gobbledygook, but it is in fact the development of a new commerce concept that will continue to evolve. If it is confusing, then think of these tokens as nothing more than airline miles or credit card points. They are different in that they are convertible into currency and are transferable on exchanges that make them valuable across all of your activities, whether it be travel, dining, shopping, and banking. As they say, "KISS", Keep it simple stupid, which is what I keep telling myself, and in truth is what these tokens are, simple.

So, what is the evidence I can share with you on this? First is the market size that I noted above of \$300 billion. Think about that. In 2008 the market size was Zero. So in 12 years we have gone from Zero to \$300 Billion. Another example is that I invest in these tokens, and in order to measure the performance of the tokens as a group I rolled them up and put them together and valued them as if they were a single unit. Kind of like a stock exchange combines all of the stocks together to give you an Index that measures the group's activity (similar to the Dow Jones Industrial Average or the S&P 500 Index). I did this roll-up in April 2019, and since then I track the change in value on a daily basis and publish it to my website for those that are interested to see how the value changes. This is a report card on my investing success or failure, but more importantly it is a measure of the Blockchain and Crypto Industry progress over time. I call this grouping of Blockchain tokens, "The Radar Fund".

Today, the Radar Fund has a value of 1,262.12. This is a U.S. Dollar value and it can be compared to the value from the past to measure changes in value and industry progress. For the year 2020 through July 26, 2020 the Radar Fund is up 132%. That is quite a rate of growth in a relatively short period of time. The tracking also shows the volatility in prices, which is large, just like the stock market, but maybe even more so as this is a new industry and is therefore smallish in size compared to other industries. Being small presents early investment opportunities, but it also means prices can move significantly when a large investor chooses to buy or sell a position in such a relatively small but growing market. The Radar Fund shows this price volatility, but the overall upward direction seems to be the theme that is most important in recognizing continued adoption and growth.

I hope this helps to inform you, to maybe make you more curious to learn more. My goal is to empower as many people as possible with knowledge so that you can judge your own participation at an early growth stage for a new industry that may or may not become a new and better way of doing what we already do each and every day.

Stay tuned.

Tom