What is NFT?



NFTs have received a lot of attention lately because of high sales volumes. In the past 30 days there has been over <u>\$300M</u> in NFT sales:

Crypto Collectible Rankings by Sales Volume (30 days)

	Product		Sales	Change (30d)	Buyers	Txns	
1	🔇 NBA Top Shot	F	\$217,306,612.38	▲ 610.02%	76,032	1,302,684	
2	酇 CryptoPunks	۶	\$76,144,092.83	1 ,377.02%	701	2,109	
3	🔁 Hashmasks	۶	\$34,102,271.88	▲ 0.00%	1,996	7,795	
4	💽 Sorare	۶	\$7,537,506.30	▲ 305.09%	4,060	32,587	
5	💦 Art Blocks	۶	\$5,219,479.54	▲ 857.50%	676	3,216	

Many people are talking or doing something with NFTs - Mark Cuban, Chamath Palihapitiya, Grimes (Elon Musk's partner), and the auction house Christie's.

Mark Cuban 🔗 @mcuban

Coming for the top of the charts ! And it may be an investment some day !

Jonathan Mann @ @songadaymann - Feb 12 An accidental musical collaboration between me, @mcuban and @redlioneye13.

10,000 copies (for 10,000 punks) on sale now on Rarible for .02 eth each.

This is some real deal mishegas.

app.rarible.com/token/0x4392ae...



4:47 AM · Feb 13, 2021 · Twitter Web App



I dont think that people realize that the real growth in NFTs isn't now. Art, Music, Photos, Short Videos are the proof of concept and just the beginning. The real growth comes when corporate IP goes @Ip2Nft. That changes revenue streams for ALL companies, large and small

4:58 AM · Feb 24, 2021 · Twitter Web App

OMON (+) February 25, 2021 4:38pm

551 Retweets 81 Quote Tweets 3,886 Likes

Beeple NFT Artwork Sells for \$6.6 M. Ahead of Viral Christie's Auction





f > t 9 +



Canadian Singer Grimes Enters the NFT Digital Art Scene



If you keep seeing or hearing "CryptoPunks", "NBA Top Shot", "Hashmasks", or even tweets are being sold at a dreamy price sold and wonder what on earth is going on, you are not alone. If you haven't heard of NFTs, then it's never too *early* to start learning or exploring them.

CryptoPunks Bot @cryptopunksbot

Punk 6487 bought for <u>550 ETH (\$1,054,240.03 USD)</u> by 0x561786 from 0x1da533. larvalabs.com/cryptopunks/de... #cryptopunks #ethereum

(j

9:01 AM · Feb 22, 2021 · CryptoPunks Bot

111 Retweets 129 Quote Tweets 697 Like

Rare Hashmasks Digital Artwork Sells for \$650K in Ether

"The piece itself is chaotic, yet ordered. It invokes a concept of biblical dualism with the demon and halo," said the buyer.





The #1/1 from beeple's first NG drop has just resold on the secondary market for \$6.6 million.

History has just been made.

Congrats to beeple and of course to @pablorfraile for the sale.



9:15 AM · Feb 25, 2021 · Twitter Web App

NFT stands for "non-fungible token."

In case you're wondering, NFT is **not** a crypto ticker symbol like BTC (for bitcoin) or ETH (for Ether), but rather a "category" of tokens. The most common NFTs are minted on the Ethereum^{*} blockchain.

NFT is an immutable and permanent certificate of the issuance and transaction details of virtual or physical things that are:

- **Unique** (each item is different)
- **Rare** (same item with multiple editions)

NFTs can effectively signal ownership, seeing as they are not mutually interchangeable.

*The Ethereum token standards for NFTs are: ERC721 (non-fungible), ERC1155 (semi-fungible), or even ERC20 (fungible.) <u>ERC1155 VS ERC721 - Token Standards Explained.</u>

Popular examples of

NFTs

It's quite challenging to categorize NFTs because it's still so new and experimental, but generally speaking, there are applications for crypto **art**, digital **collectibles**, and online **gaming**.

- The first (wildly successful) NFT

CryptoPunks [pixel art]

Recent Transactions

Updated 58 seconds ago



#4555 Offered for 22Ξ (\$33,283)



#7683 Offered for 57.20Ξ (\$86,537)

1

#8888 Offered for 33.10Ξ (\$50,076)



stored on the Ethereum blockchain.

10,000 unique collectible characters with proof of ownership

#7890 Offered for 41.20Ξ (\$62,331)



#7682 Offered for 49.50<u>=</u> (\$74,888)



#7674 Offered for 104.20<u>5</u> (\$157,642)



#7667 Offered for 51.20Ξ (\$77,459)



#920 Bought for 99.995 (\$151,273)



#8764 New bid of 23<u>5</u> (\$34,796)



#8285 Offered for 20.95Ξ (\$31,695)



#8764 Offered for 27E (\$40,848)



#8593 Offered for 79.995 (\$121,015)

The CryptoPunks are:

- 24x24 pixel art images
- Generated algorithmically
- 10,000 unique collectible characters
- Proof of ownership stored on the Ethereum blockchain
- Every punk has their own profile page that shows their **attributes** as well as their **ownership/for-sale status**
- Most are punky-looking guys and girls but there are a few rarer types: Apes (24 punks), Zombies (88) and Alien (9)

CryptoPunk 6915

- One of 24 Ape punks.
- For sale at **10,000 ETH** (~\$14,919,500)
- The current owner bought it at 3.5
 ETH (\$2,447) in Dec 2017. ☺
- There is a bid of **165 ETH** (~\$245,170) for this punk now. *If you were the owner, would you sell it?*

Fun fact:

All the 10,000 CryptoPunks were **FREE** to claim when they were first released on 23 June 2017.



Nerdy details from the CryptoPunks website:

- The actual images of the punks are too large to store on the blockchain, so we took a hash of the composite image of all the punks and embeded it into the contract. You can verify that the punks being managed by the Ethereum contract are the True Official Genuine CryptoPunks[™] by calculating an SHA256 hash on the cryptopunks image and comparing it to the hash stored in the contract.
- CryptoPunks are *almost* an ERC20 token. We support the methods that provide your balance so you can watch CryptoPunks as a token in your wallet and see how many you own. None of the other methods are the same since you're not transferring a simple balance, but need to reference which specific Punk you want to work with.
- The contract source and more technical details are available on Github.

CryptoPunks [pixel art]

Question:

I have a few million dollars lying around and wanna ape in these punks. How do I buy them?

Answer:

Buy Ether (ETH), move ETH to your <u>MetaMask</u> wallet, buy the <u>punks for sale</u> with ETH in your MetaMask.

Spencer Noon @spencernoon

The punk floor (aka the price of the cheapest #cryptopunk) is up 5x this month and going parabolic

Today \rightarrow 23.5 \$ETH (~\$42k) Yesterday \rightarrow 20 \$ETH 5 days ago \rightarrow 9.5 \$ETH Feb 2 \rightarrow 5.3 \$ETH

Question:

What gives these Punks value? How are they unique? Can't people just copy and paste the images or download the files? (This question also applies to the other NFT art, music, videos, collectibles, etc.)

Answer:

Yep they totally can! Just like how i copied and pasted them in this google slides. However, taking and sharing a photo of Mona Lisa doesn't mean you own it. Actually, the more people share certain NFTs, the more publicity they get, and *potentially* creating more demand. In terms of value... it's really about "willing buyer willing seller" at this point. I think NFT creates a new global fan-economy but it's also very speculative. Think of them like any artworks, collectibles, in-game items, Youtube/Instagram content, there will be a lot of NFTs, but not all are valuable. The programmable IP registration, royalty distribution is worth exploring though - check out EulerBeats on slide 24.



Question:

You cannot hang it on your wall, why do you buy it?

Answer:

"You can print, frame, and hang cryptoart on a wall. Including some of the more expensive pieces, with no fear of it getting damaged or stolen... because you have the originals in your wallet."



- A new standard for NFT art?



The Hashmasks (HM) are:

- 16,384 unique digital portraits
- Lives on the Ethereum blockchain and hosted on IPFS (<u>Record and</u> <u>Proof</u>).
- Launched on 28 Jan 2021, all the HMs were sold for \$16 million in less than a week
- The most expensive HM was sold for 420 ETH (\$650,000)
- 70 artists created these portraits, each artist was given a specific task. Some only created masks, others created backgrounds, some created items. But no one besides the HM team knows who they are.
- Traits and rareness of the HM are categorized by their character, mask, eye color, skin color, and item.

Selection of traits to choose from

Character	Mask	Eye Color	Skin Color	Item
 All Base Characters Male (8659) Female (5480) Golden Robot (165) Puppet (591) Robot (1477) Mystical (12) 	 ✓ All Mask Types Indian (803) Chinese (885) Animal (2061) Street (925) Basic (2216) Mexican (2475) African (967) Hawaiian (1573) Doodle (2187) Pixel (980) Crayon (490) Abstract (319) Steampunk (229) Unique (10) Aztec (263) Unmasked (1) 	 ✓ All Eye Types Freak (435) Dark (7419) Green (2634) Blue (3532) Glass (1627) Painted (591) Mystical (12) Heterochromatic (134) 	 ✓ All Skin Types Freak (152) Dark (3784) Light (4252) Gold (165) Wood (591) Gray (4657) Steel (1477) Blue (1292) Mystical (12) Transparent (2) 	 All Items Mirror (319) No Item (14533) Bottle (377) Book (450) Toilet Paper (395) Shadow Monkey (233) Golden Toilet Paper (77)

Fun fact:

Owners of Hashmasks can change the artwork's name

with 1,830 Name Changing Tokens (NCT), <u>till all the NCTs</u>

<u>are burned.</u>

- The most famous NFT game



Wikipedia explains it pretty well:

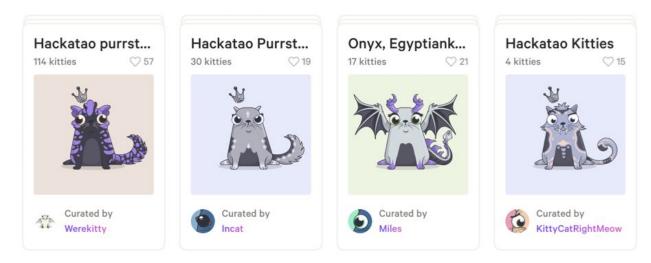
CryptoKitties is a blockchain game on Ethereum developed by Canadian studio Dapper Labs that allows players to purchase, collect, breed and sell virtual cats.

It is one of the earliest attempts to deploy blockchain technology for recreation and leisure.

It caused Ethereum network congestion in Dec 2017 due to its explosive popularity. <u>The</u> <u>average cat is trading for \$100 in</u> <u>ether (ETH)</u>.

Start Your Digital Cat Collection

In CryptoKitties you can breed and adopt Kitties of all colours and shapes. Create Collections of your favourite cats and share them with our breeding community.





- Pokémon on blockchain (developed by <u>Sky Mavis</u>.)



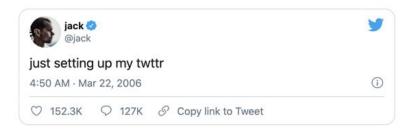
Valuables by Cent

- Buy & Sell Tweets autographed by their original creators.

Currently someone is bidding \$2,500,000 to buy Jack Dorsey's first tweet as an NFT, even though Jack Dorsey did not put up his tweet for sale (as many news outlets were spreading inaccurate news.) It was put up by someone else on 16 Dec 2020... in fact, ANYONE CAN upload a tweet URL to Valuables and offer to buy it from the original tweeter.

Jack tweeted the Valuables link on Mar 6, and he would end the bidding on 21 March then donates the proceeds to a charity:





Want to buy this tweet?

The highest offer is \$2500000 by @sinaEstavi

(\$ 0.0000)	OFFER
	(\$ 0.0000)

Counter-offer must be a minimum increase of \$1 or 10%, whichever is more.

OFFER HISTORY &

 @sinaEstavi
 offered \$2500000.00 (\$ 1630.5825601)

 Mar. 7
 @justinsuntron

 @giustinsuntron
 offered \$2000000.00 (\$ 1304.46604808)

 Mar. 6
 @sinaEstavi

 @justinsuntron
 offered \$1500000.00 (\$ 978.34953606)

 Mar. 6
 @justinsuntron

 @giustinsuntron
 offered \$1000000.00 (\$ 652.23302404)

 Mar. 6
 @sinaEstavi

 @sinaEstavi
 offered \$800000.00 (\$ 521.78641923)

 Mar. 6
 Mar. 6

@justinsuntron offered \$700000.00 (\$ 456.56311683)

CZ 🔶 Binance 🤡 @cz_binance	y
Slap yourself,	
if you sold \$BTC under \$10,000.	

Who ACTUALLY sold their tweets? Two examples here:

- @CZ_binance
- @garyvee



- Own the NBA's greatest highlights



JA MORANT Dunk - Dec 11 2019, Holo MMXX (Series 1), MEM

Legendary #/25 (LE)

Lowest Ask

USD \$240000.00

Only 2 listings



ZION WILLIAMSON Block - Jan 24 2020, Cosmic (Series 1), NOP

Legendary #/49 💷

Lowest Ask USD \$219000.00 Only 2 listings



LEBRON JAMES Dunk - Feb 6 2020, From the Top (Series 1), LAL

Legendary #/59 (LE)

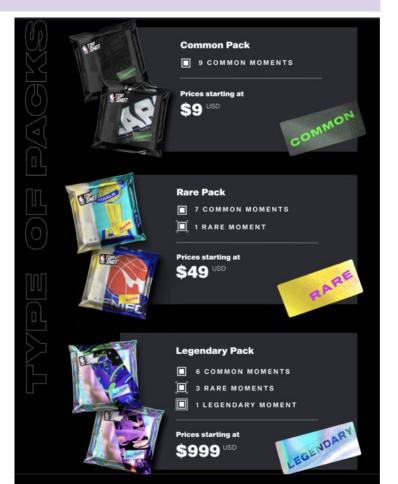
Lowest Ask USD \$213000.00 Only 1 listing



NBA Top Shot [sports, collectible, developed by Flow, who also developed CryptoKitties]

- Officially licensed by NBA
- NBA Fans from around the world collecting epic NBA moments (short video clips) such as "Giannis' slams. Luka's dimes. Kyrie's crossovers"
- Over \$200M+ USD in sales. Instant sell-out
- The moments are produced in tiered rarity and sold in packs (Common/Rare/Legendary) with multiple moments in each pack to unlock
- Once the packs are opened, owners can resell individual moments on the secondary market that's when the prices of the most coveted moments go crazy:

[SOLD] **\$208,000** LeBron James "Cosmic" Dunk [SOLD] **\$100,000** Zion Williamson "Holo MMXX" Block [SOLD] **\$100,000** LeBron James "From the **Top**" Block





EulerBeats Genesis LP 07

Rarity: Rare Current Supply: 65 Current Print Cost: 6.302 Ξ Current Burn Reward: 5.2731 Ξ Burn Reward on next print: 5.6718 Ξ



EulerBeats Genesis LP 08

Rarity: Rare Current Supply: 65 Current Print Cost: 6.302 Ξ Current Burn Reward: 5.2731 Ξ Burn Reward on next print: 5.6718 Ξ





EulerBeats Genesis LP 11

Rarity: Rare Current Supply: 65 Current Print Cost: 6.302 Ξ Current Burn Reward: 5.2731 Ξ Burn Reward on next print: 5.6718 Ξ

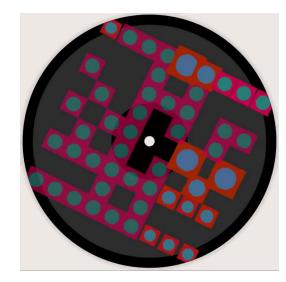


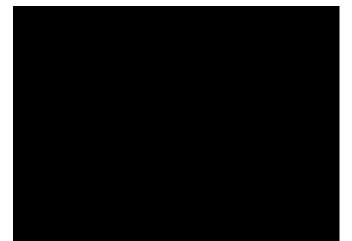
EulerBeats Genesis LP 12

Rarity: Very Rare Current Supply: 69 Current Print Cost: 8.539 Ξ Current Burn Reward: 7.1109 Ξ Burn Reward on next print: 7.6851 Ξ

EulerBeats [art + music by treum.io]

- 27 art + music originals
- Generated based on Euler's mathematical discoveries
- The EulerBeats original owners will **earn 8% of the revenues** on each print sold
- EulerBeats prints are replicas of an original
- The price of issuing the next print increases at an exponential rate
- Original prints price: 0.271 ETH
- Replica prints price: up to 35.7 ETH (\$53,157)





Others:

- <u>Aavegotchi</u> DeFi-powered Tamagotchi
- <u>Sorare</u> global fantasy football
- Art Blocks Creativity in Generative Design
- **Decentraland** virtual world owned by its users
- **NFTX** protocol for NFT index funds
- <u>Ether Cards</u> monetize and gamify NFTs
- And more...



Popular NFT marketplaces

NFT Marketplace Cheat Sheet

Platform	Туре	Login Credit Card		Blockchain	Create NFT	
<u>OpenSea</u>	Open	Wallet	No	Ethereum, Polygon	No	
<u>Rarible</u>	Open	Wallet	No	Ethereum	Yes	
<u>Mintable</u>	Open	Email	No	Ethereum, Zilliqa	Yes	
<u>Cargo</u>	Open	Wallet	No	Ethereum	Yes	
Mintbase	Open	Wallet	No	Ethereum, Near	Yes	
<u>SuperRare</u>	Curated	Wallet	No	Ethereum	No	
MakersPlace	Curated	Email	Yes	Ethereum	Yes	
<u>KnownOrigin</u>	Curated	Wallet	No	Ethereum	Yes	
<u>Nifty Gateway</u>	Curated	Email	Yes	Ethereum	Yes	

OpenSea, a YCombinator alum, backed by Founders Fund, Coinbase Ventures, etc.

OpenSea	Q Search items, collections, and accounts							Activity	Rankings	Blog	Help	Create
		∜ New	Art	Domain Names	Virtual Worlds	Trading Cards	Collectibles	Sports	Utility			

- The "ebay of NFTs"
- A decentralized peer-to-peer marketplace, OpenSea doesn't hold any assets on its platform
- Charges 2.5% fees from sales 🎄
- You can pretty much find all kinds of NFTs here- ethereum domain names, virtual land, CryptoPunks, CryptoKitties, etc etc etc..
- You can also list your NFTs to sell, this is the <u>tutorial</u>

The largest NFT marketplace

Buy, sell, and discover rare digital items

Explore

Dune Analytics shows OpenSea volume in Feb 2021 reached **\$93.9M**, and **50,000** total users.





Q Search by creator, collectible or collection

Explore My items

items Following Activ

Activity (NEW)

How it works Community ~

Create

- A creator-centric NFT marketplace with a community governance token \$RARI
- \$24M+ in trading volume in 2020
- 29,000+ unique buyers and sellers
- Takes 2.5% of the sales as service fees

Featured Item: Mark His Words >>>>

- A 26-second video clip of Mark Cuban rapping (reading () with music
- 10,000 editions 4 burned = 9996 editions for sale
- 0.02 ETH at launch



Nifty Gateway, owned by OEMINI

Q Search...

Drops 🗲

Discover

Marketplace

Stats

Activity

Login / Signup

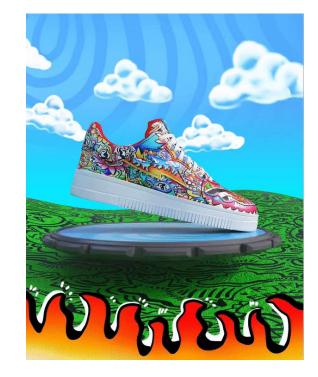
- Providing both drops sold directly by the creator and a secondary marketplace (peer to peer resale)
- Nifty Gateway takes 5% + 30 cents of every secondary sale
- Nifty Gateway plays the role of a **curator**, successfully • released the NFTs created by many celebrities, including **Beeple and Grimes**

Featured Item: What's this spinning sneaker here? >>>

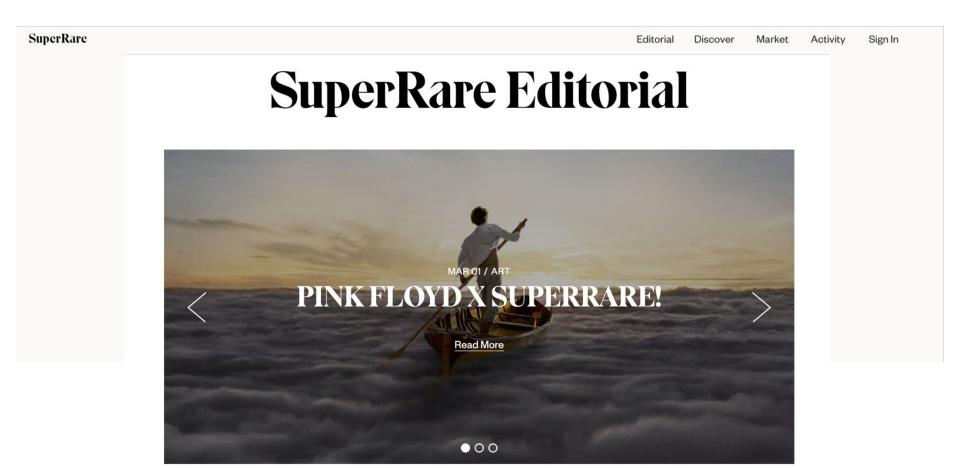
FEWO SHOE LEGENDARY By RTFKT Studios

Limited editions of **digital art** + **physical sneakers**

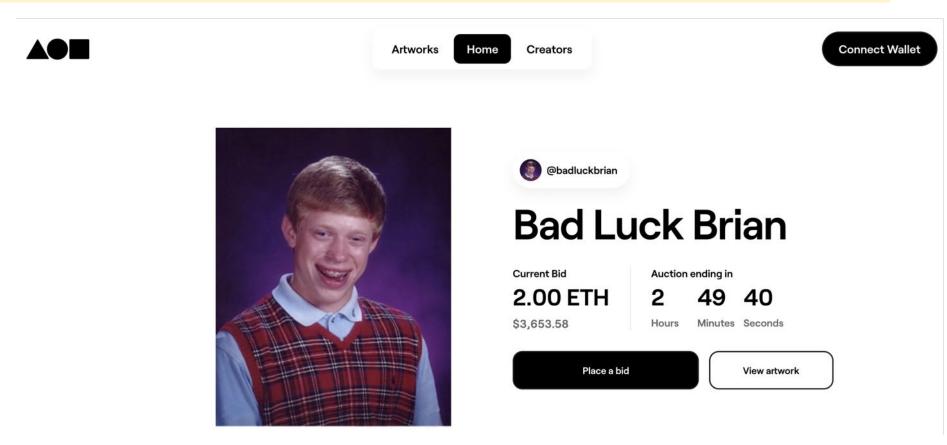
\$10,000 per edition. 121 sold. FREE worldwide shipping 😄



SuperRare -- curated NFT art gallery, with weekly secondary market report (see some stats here)



Foundation - "bringing digital creators, crypto natives and collectors together to move culture forward."



Worth reading:

- <u>The Non-Fungible Token Bible: Everything you need to know about NFTs</u>
- Chris Dixon at a16z: <u>NFTs and a Thousand True Fans</u>
- Matthew Ferrick at Nifty Gateway: <u>An ROI Collector's Guide to Cryptoart</u>
- Zihao Xu at Octopus Ventures: <u>Everything you love is non-fungible, but let's not</u> <u>tokenise it all just yet</u>