

Blockchain to Crypto

Understanding the internet of value...

...cryptography

...economics

...blockchains

Jeremy Saxey - Nov 13, 2023

Jeremy Saxey

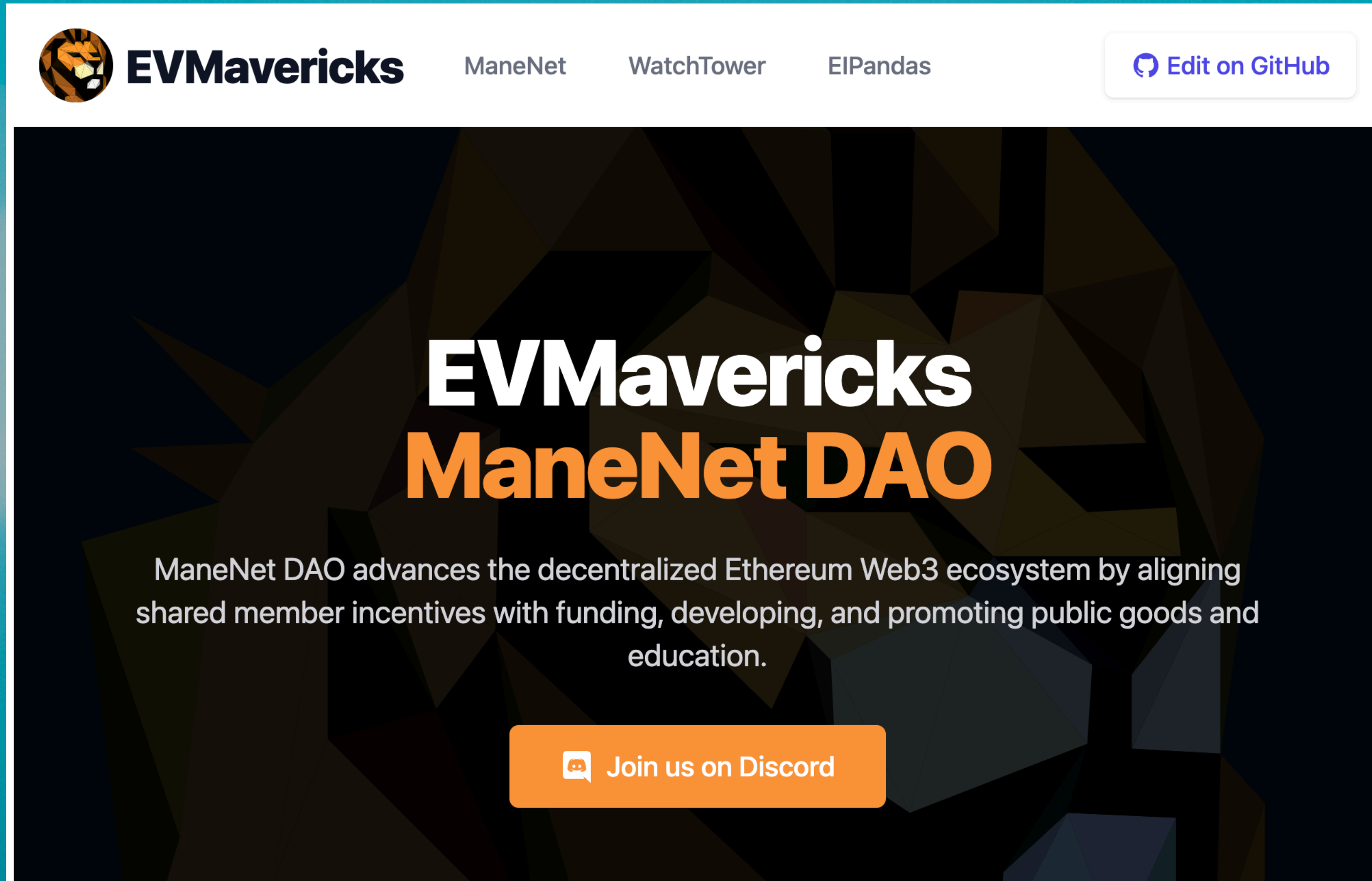
Co-owner/CTO @ RadiateWP

15 years in WordPress (professional)

In blockchain (hobby)

- ≈2010 ??? - learned about
- Late 2017 - lost money
- Late 2020 - active

Hobby



The screenshot shows the top of a website. The header is white and contains the EVMavericks logo (a lion's head) on the left, followed by the text "EVMavericks". To the right of the logo are three navigation links: "ManeNet", "WatchTower", and "EIPandas". Further right is a button that says "Edit on GitHub" with a GitHub icon. Below the header is a dark banner with a geometric pattern. The banner features the text "EVMavericks" in white and "ManeNet DAO" in orange. Below this is a paragraph of text: "ManeNet DAO advances the decentralized Ethereum Web3 ecosystem by aligning shared member incentives with funding, developing, and promoting public goods and education." At the bottom of the banner is an orange button with a Discord icon and the text "Join us on Discord".

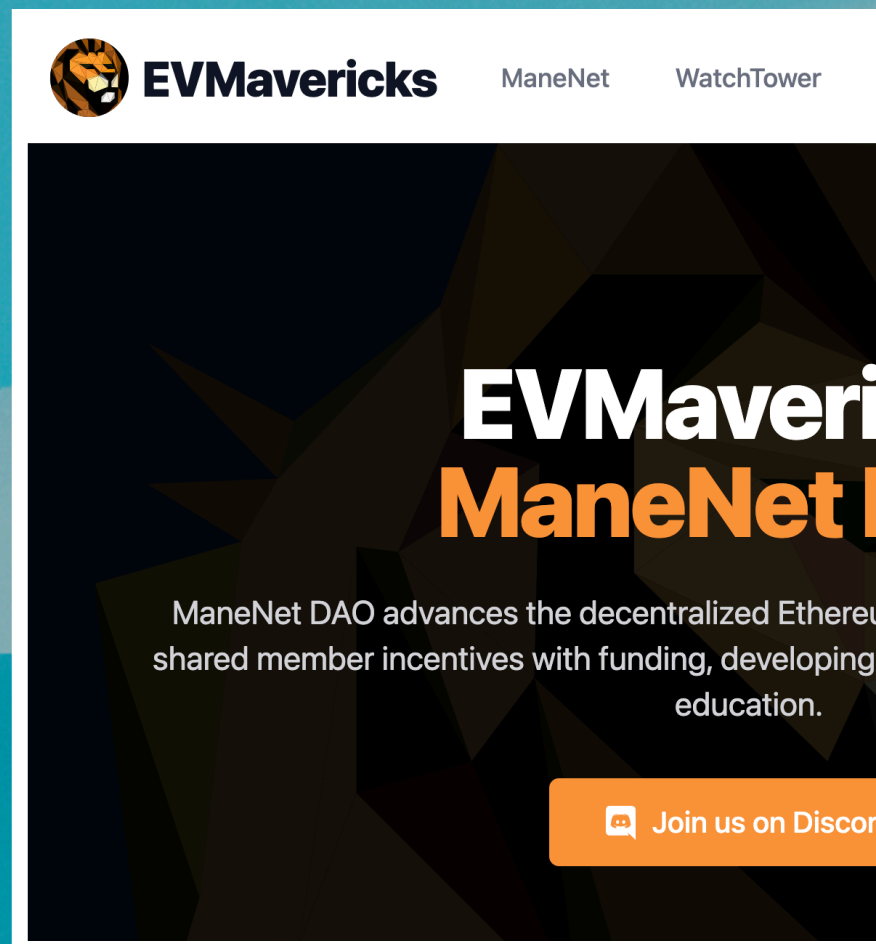
EVMavericks
ManeNet WatchTower EIPandas [Edit on GitHub](#)

EVMavericks ManeNet DAO

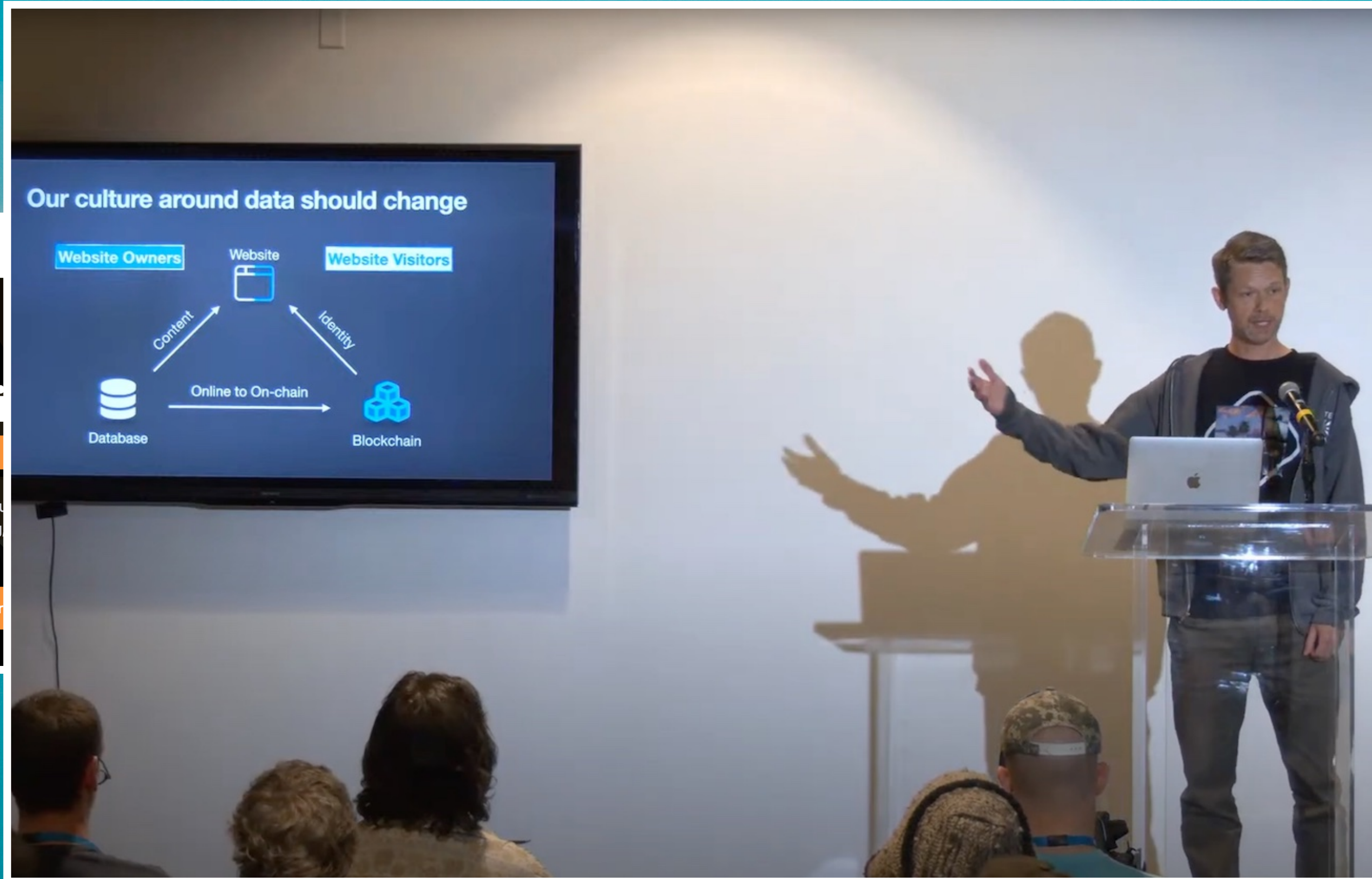
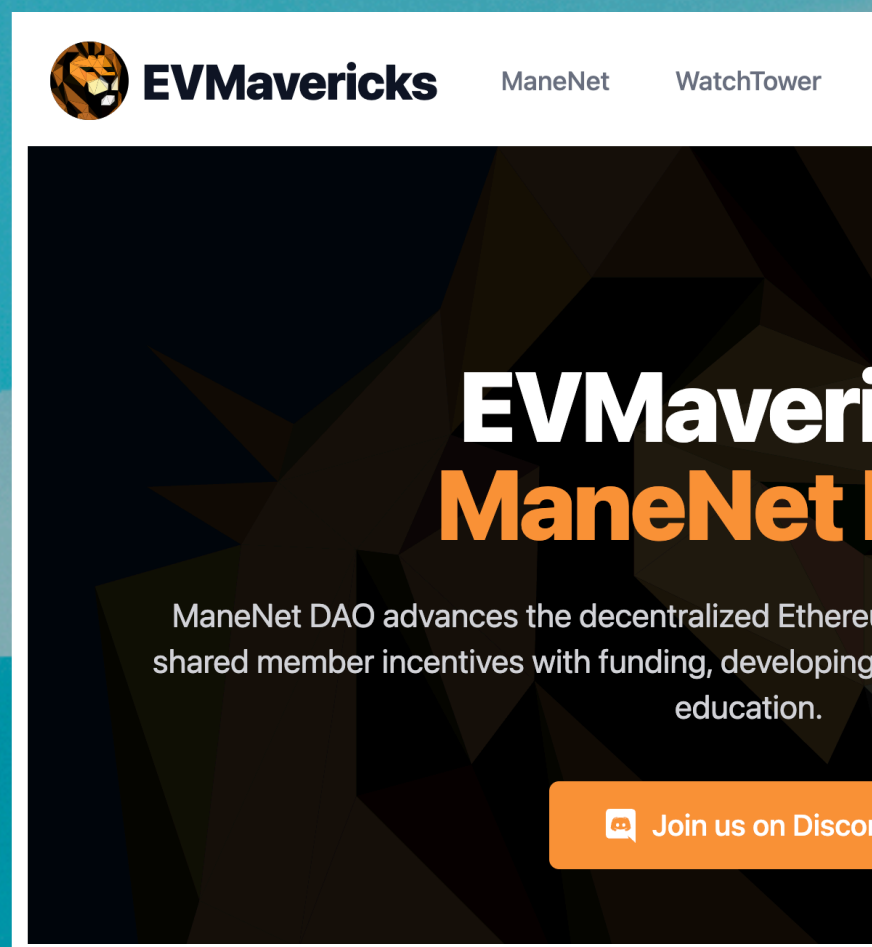
ManeNet DAO advances the decentralized Ethereum Web3 ecosystem by aligning shared member incentives with funding, developing, and promoting public goods and education.

[Join us on Discord](#)

Hobby

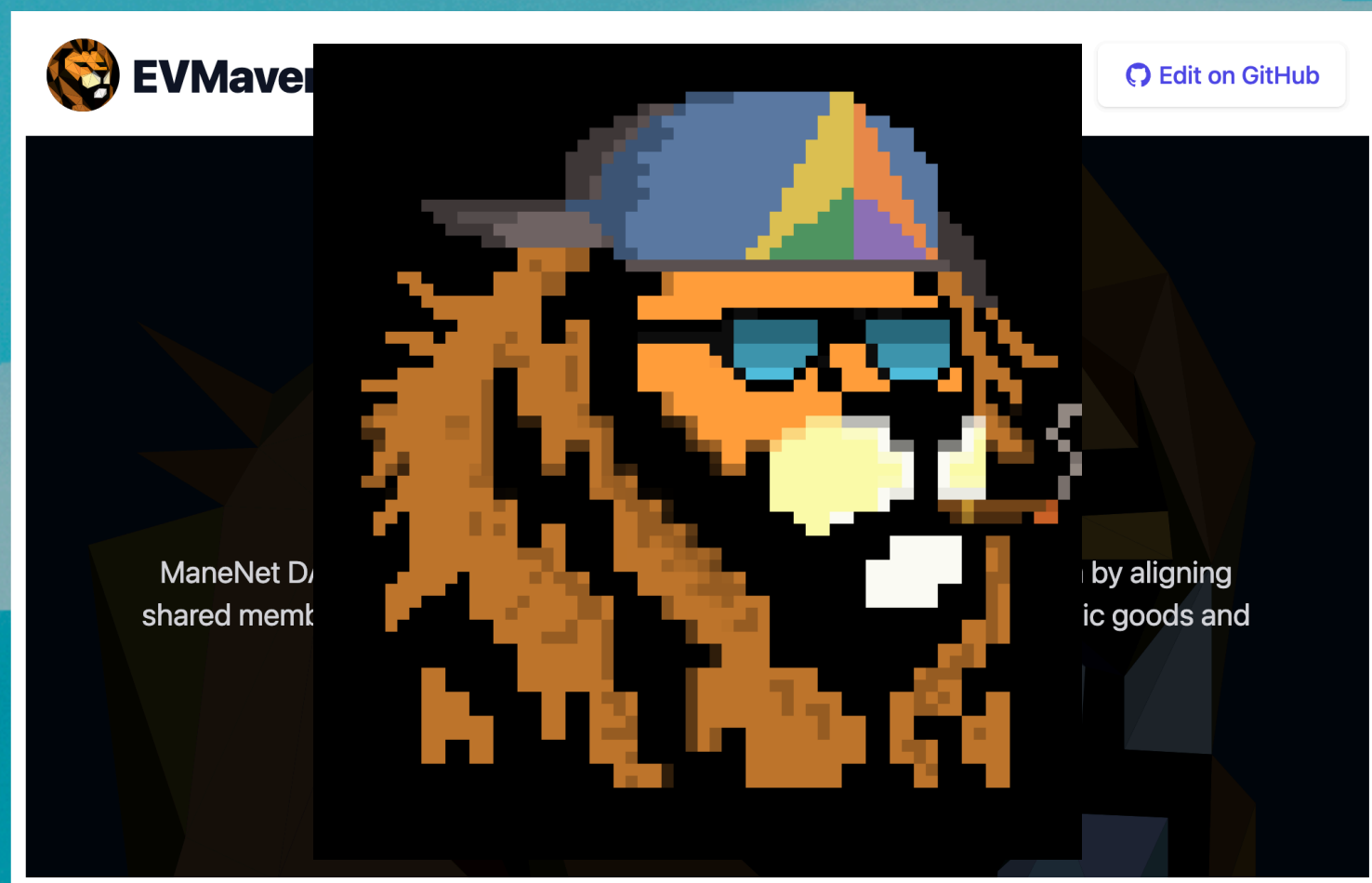


Hobby



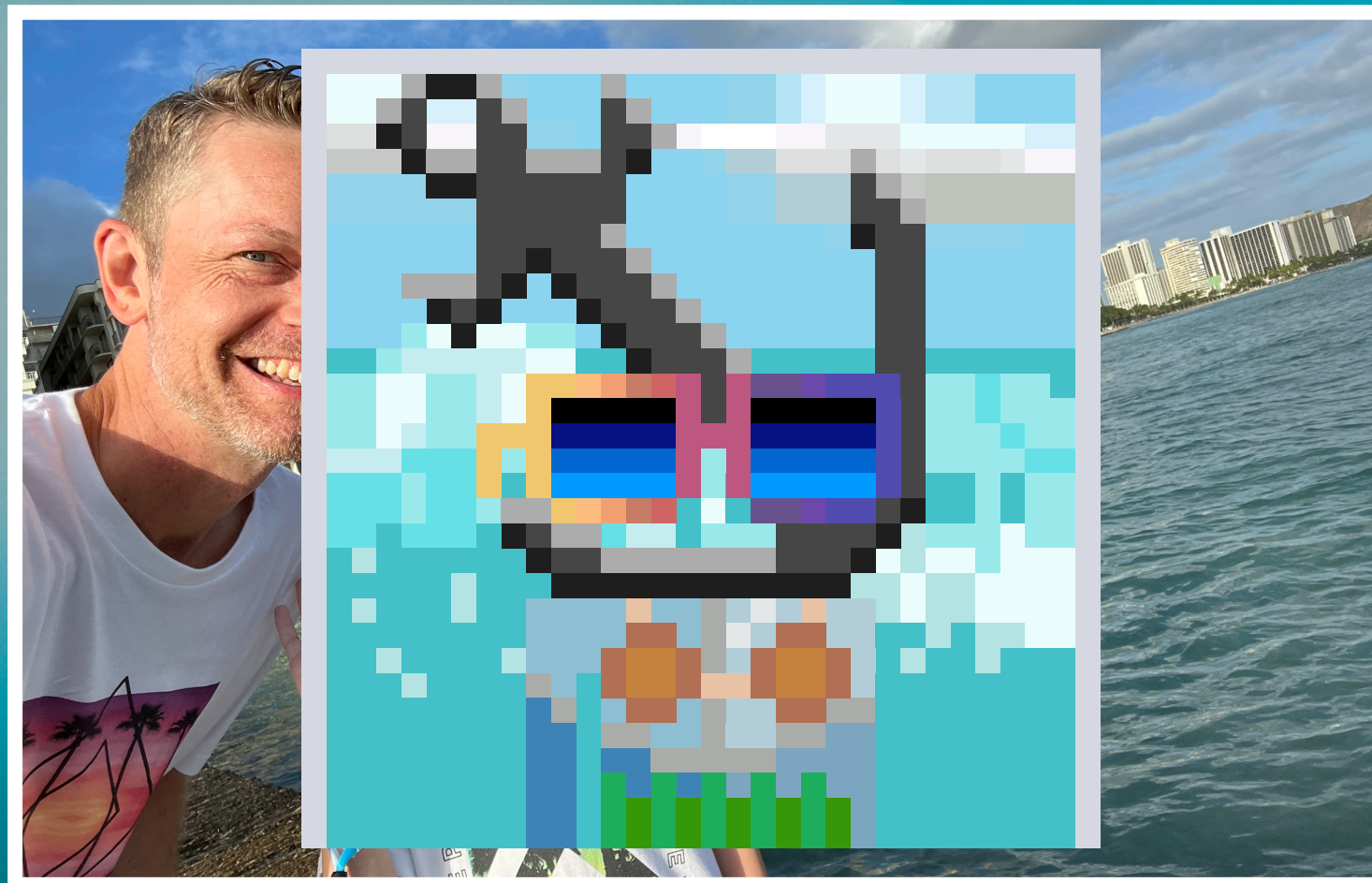
Hobby

Digital Autonomous Organization



April 2022

Hodlercon 2022



June 2022

WordCamp Phoenix 2023



March 2023

Hobby

radiatewp.com/about-us

WordCamp Phoenix 2023



March 2023

Hobby-ish

Major lens through which I see the world

- What I see
- How it shapes my perception of:
 - money
 - value
- Where I see economic opportunity



Wow

NOT FINANCIAL ADVICE

Who's in the audience?

***“Blockchains go mainstream
when they become invisible”***

**“*Blockchains* go mainstream
when they *become invisible*”**

**“If you want a *different result* than the average person,
you have to *think and act different*
than the average person”**

“*Blockchains* go mainstream
when they *become invisible*”

“If you want a *different result* than the average person,
you have to *think and act different*
than the average person”

**Purpose: To help you *see what is*
and will be *invisible* to most.**

Blockchains sell blocks

Blockchains sell blocks

Operators to run the chain

Blockchain: Investment thesis

- Analyze blockchain like a company
- Revenue
 - Transaction fees (Does it sell blocks?)
 - Block rewards (new coins)
- Expenses
 - Capital costs (hardware, facility, etc.)
 - Operating costs (electricity, internet, staff, etc.)
- Profitability
 - Revenue - Expenses = Profit

Are the operators profitable?

Are the operators profitable?

“Economic Security”

Bitcoin





Bitcoin: A Peer-to-Peer Electronic Cash System

Satoshi Nakamoto
satoshin@gmx.com
www.bitcoin.org

Abstract. A purely peer-to-peer version of electronic cash would allow online payments to be sent directly from one party to another without going through a financial institution. Digital signatures provide part of the solution, but the main



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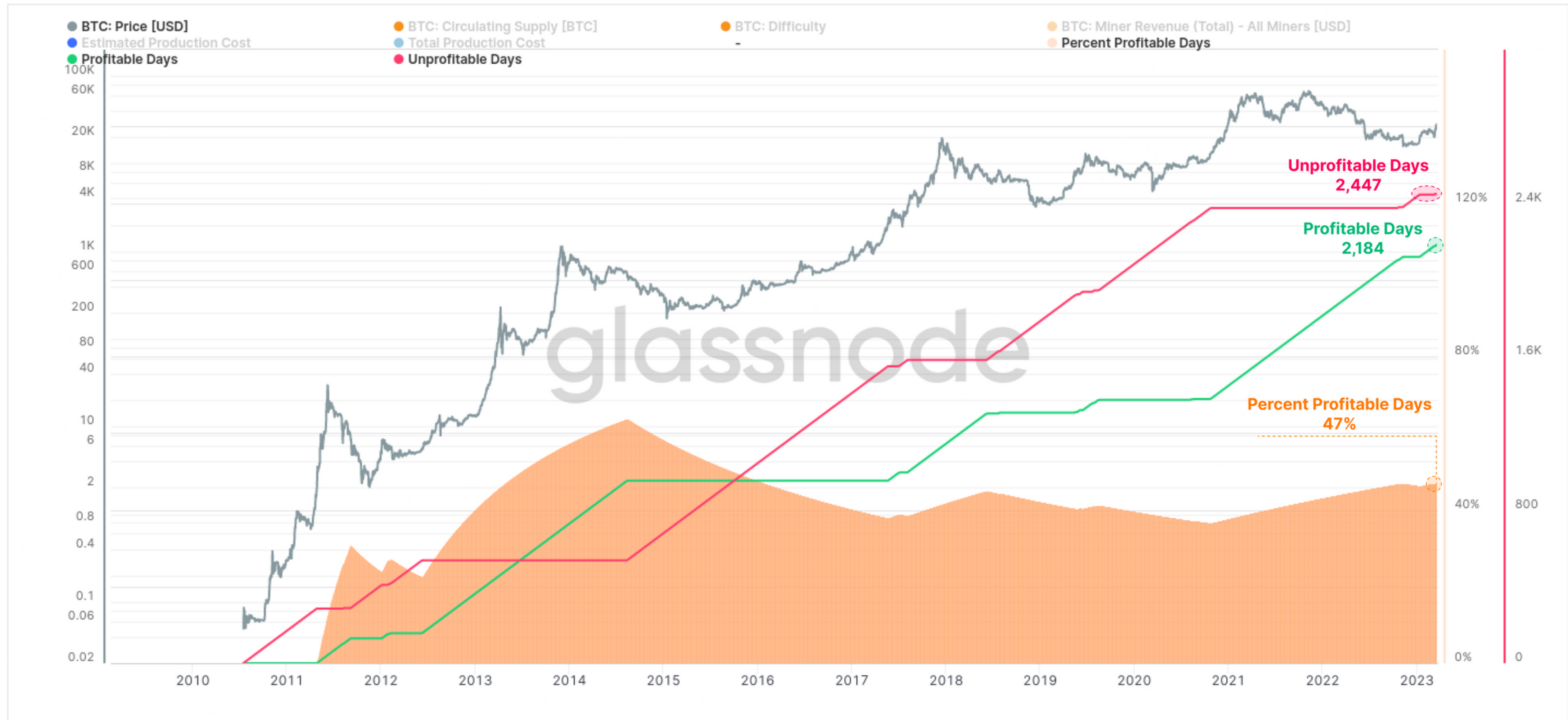
Bitcoin: Peer-to-peer digital currency

- Cryptocurrency: payments
- Blockchain: record transactions
- Consensus: Proof-of-Work (computing power)

Bitcoin: Investment thesis

- Revenue
 - Transaction fees
 - Block rewards
- Expenses
 - Capital costs
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 - Revenue - Expenses = Profit

Bitcoin: Miner Revenue Percent Profitable Days



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Economic Security?

Bitcoin: Why #1?

- First mover advantage
- Simple Narrative
 - Digital money
 - Store of value (digital gold)
- Monetary premium
- Problem:
 - High Costs (electricity)
 - Buy/hold strategy (no Txns)
 - $\approx 96\%$ of total supply

Ethereum





**Ethereum: A Next-Generation Smart Contract and Decentralized Application Platform.
By Vitalik Buterin (2014).**

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When Satoshi Nakamoto first set the Bitcoin blockchain into motion in January 2009, he was simultaneously introducing two radical and untested concepts. The first is the "bitcoin", a decentralized peer-to-peer online currency that maintains a value without any backing, intrinsic value or central issuer. So far, the "bitcoin" as a currency unit has taken up the bulk of the public attention, both in terms of the political aspects of a currency without a central bank and its extreme upward and downward volatility in price. However, there is also another, equally important, part to Satoshi's grand experiment: the concept of a proof of work-based blockchain to allow for public agreement on the order of transactions. Bitcoin as an application can

To say *crypto* is *just* bitcoin, is like
saying the *internet* is *just* email

Ethereum: Smart Contract dApp Platform

- Blockchain: record transactions
- Smart Contracts: self-executing code
- dApps: Decentralized Applications that interact w/ smart contract(s)
 - what users interact with (web pages / phone apps)
- Smart Contracts + dApps = World Computer

Bitcoin is the world's spreadsheet,
Ethereum is the world's computer

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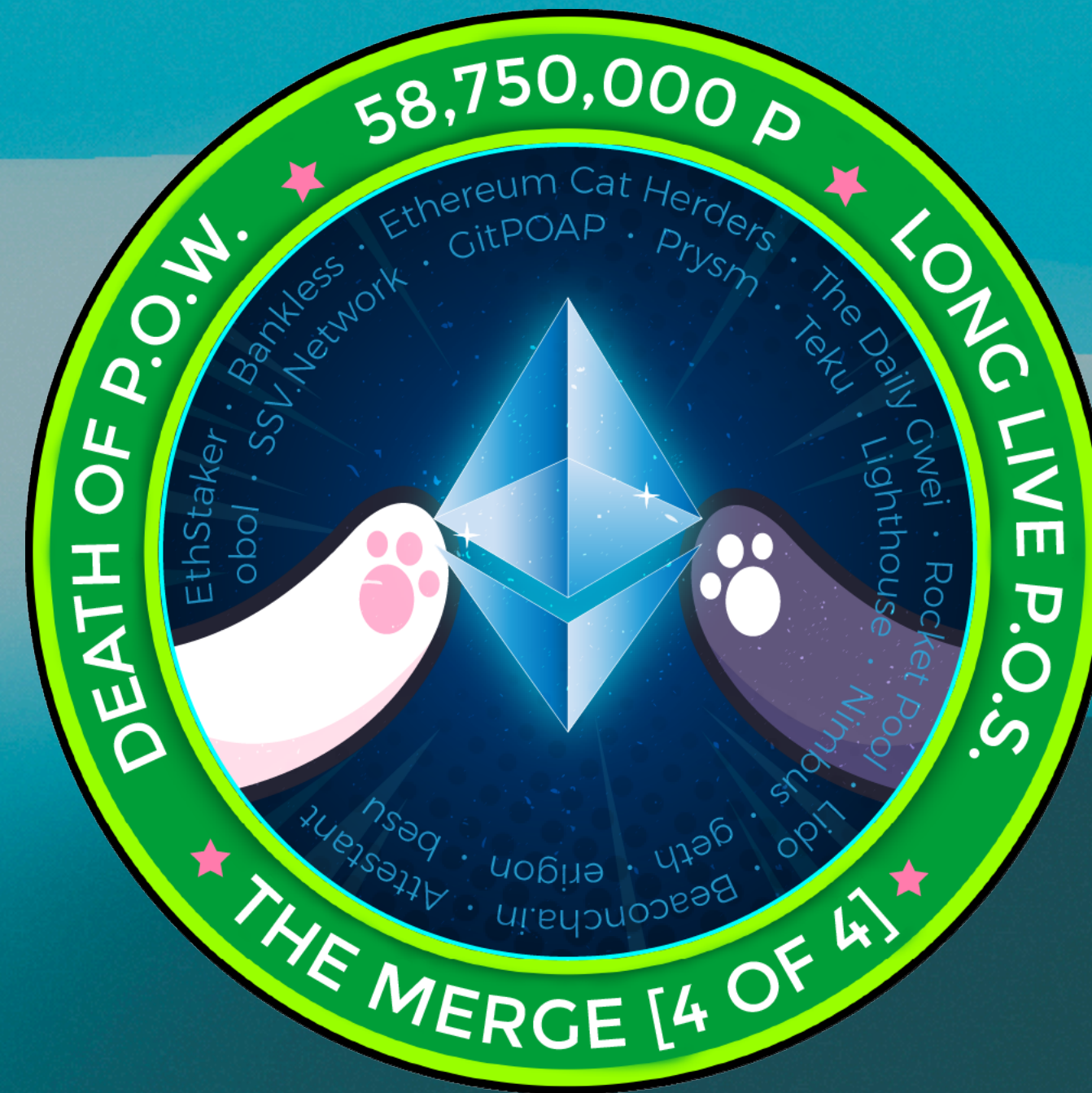
Bitcoin can host financial transactions,
Ethereum can host a financial system

Ethereum: “The Merge”

- Switched from Proof-of-Work (PoW) to Proof-of-Stake (PoS)
- Reduced energy usage by >99%
- Entire world’s energy consumption decreased by 0.2%
- September 22nd, 2022
- I was there



“The Merge”



September 22, 2022

Ethereum: Staking

- Network Node Operators are “Validators”
- Anyone who stakes ETH is a “Staker”
- “Proof-of-Stake” (PoS)
 - Investment (in the network)
 - Converts collateral into validating rights/rewards
 - Proves you have something to lose (at stake)

Ethereum: Internet of Value

- Staked ETH
 - Productive asset
 - Yield-bearing asset
 - Invest in the Internet
 - Internet bond
 - Native yield of the internet

HOW TO STAKE YOUR ETH

Earn rewards while securing Ethereum

Staking is a public good for the Ethereum ecosystem. Any user with any amount of ETH can help secure the network and earn rewards in the process.



28,134,743

TOTAL ETH STAKED ⓘ

881,752

TOTAL VALIDATORS ⓘ

3.9%

CURRENT APR ⓘ

<https://ethereum.org/en/staking/>

Stablecoins



Stablecoins: Digitized Dollar

- Token 1:1 pegged to fiat currency





















Stablecoins: Digitized Dollar

- Token 1:1 pegged to ~~fiat currency~~ U.S. Dollar
- Onchain dollar-denominated liability
- Backed by:
 - Cash
 - Dollar-denominated assets (Tokenized treasuries)
 - Crypto-backed (staked ETH)

Cryptocurrency Prices by Market Cap Show Stats

The global cryptocurrency market cap today is \$1.47 Trillion, a -0.4% change in the last 24 hours. [Read More](#)

Show Fully Diluted Valuation ?

#	Coin	Price	1h	24h	7d	24h Volume	Mkt Cap	Last 7 Days
☆ 1	 Bitcoin BTC Buy	\$37,135.99	-0.2%	-0.1%	5.9%	\$11,259,968,041	\$725,661,285,290	
☆ 2	 Ethereum ETH Buy	\$2,049.22	-0.4%	-1.4%	7.9%	\$10,950,516,173	\$246,430,530,005	
☆ 3	 Tether USDT	\$1.00	-0.1%	-0.0%	-0.1%	\$31,067,371,249	\$86,749,610,625	
☆ 4	 BNB BNB Buy	\$248.22	-0.3%	-2.3%	2.0%	\$729,432,646	\$38,142,792,285	
☆ 5	 XRP XRP Buy	\$0.660737	-0.3%	-2.0%	1.4%	\$922,268,452	\$35,497,202,720	
☆ 6	 USDC USDC	\$0.999579	-0.2%	-0.1%	-0.1%	\$6,070,564,850	\$24,215,358,385	
☆ 7	 Solana SOL Buy	\$55.98	-2.9%	-5.7%	37.0%	\$3,171,001,922	\$23,739,028,028	
☆ 8	 Lido Staked Ether STETH	\$2,049.12	-0.1%	-1.3%	8.0%	\$11,768,475	\$18,351,342,957	
☆ 9	 Cardano ADA Buy	\$0.379932	-0.6%	-3.4%	9.6%	\$453,883,268	\$13,309,083,156	
☆ 10	 Dogecoin DOGE Buy	\$0.078020	0.5%	-2.8%	9.9%	\$1,180,673,677	\$11,065,200,246	

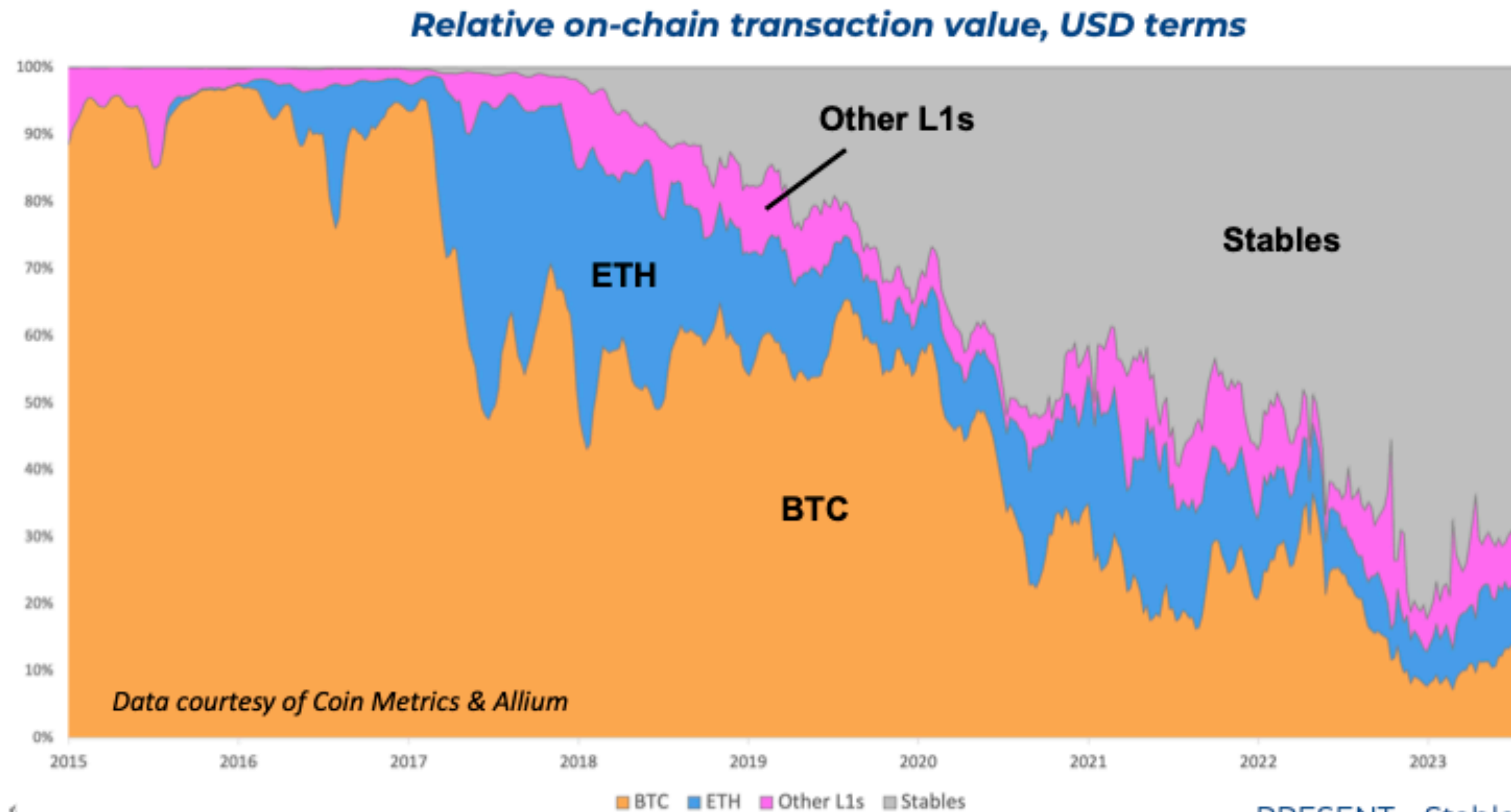
Stablecoins: Tokens

- Smart Contract (ERC-20 tokens)
- USDT (Tether) = non-U.S.
 - $\approx 70-80\%$ of major stables market share
- USDC (Circle) = U.S.
 - $\approx 20-30\%$ of major stables market share

Stablecoins: Usage (all stables)

- Only $\approx 10\%$ of total crypto market cap
- $\approx 70\%$ of all onchain activity (transactions)

...but they dominate on-chain transaction volume



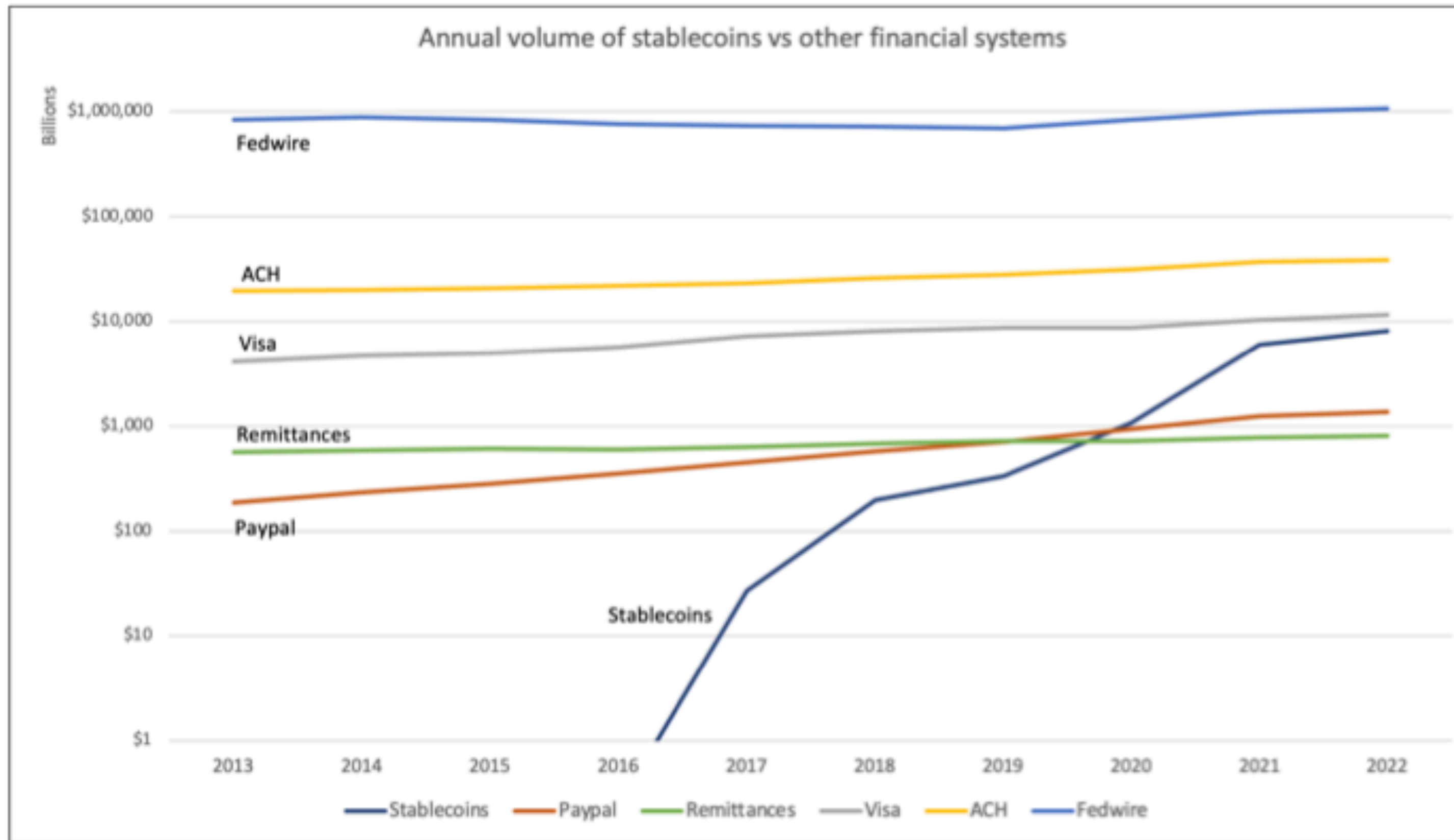
Data sampled:

- Native tokens: BTC, ETH, LTC, XRP, TRX, Matic, Avax, BSC, SOL, ARB
- USDT (ETH, Tron, Omni, BSC, Avax, Matic, Arb)
- USDC (ETH, Tron, BSC)
- DAI (ETH, BSC, Matic, Avax)
- TUSD (ETH, Tron)
- BUSD (ETH, BSC)
- FRAX, USDP, USDD, GUSD

PRESENT – Stables are the killer app

7

Stables are catching up to established settlement networks



In the space of 6 years, stables have gone from ~0 to near parity with Visa

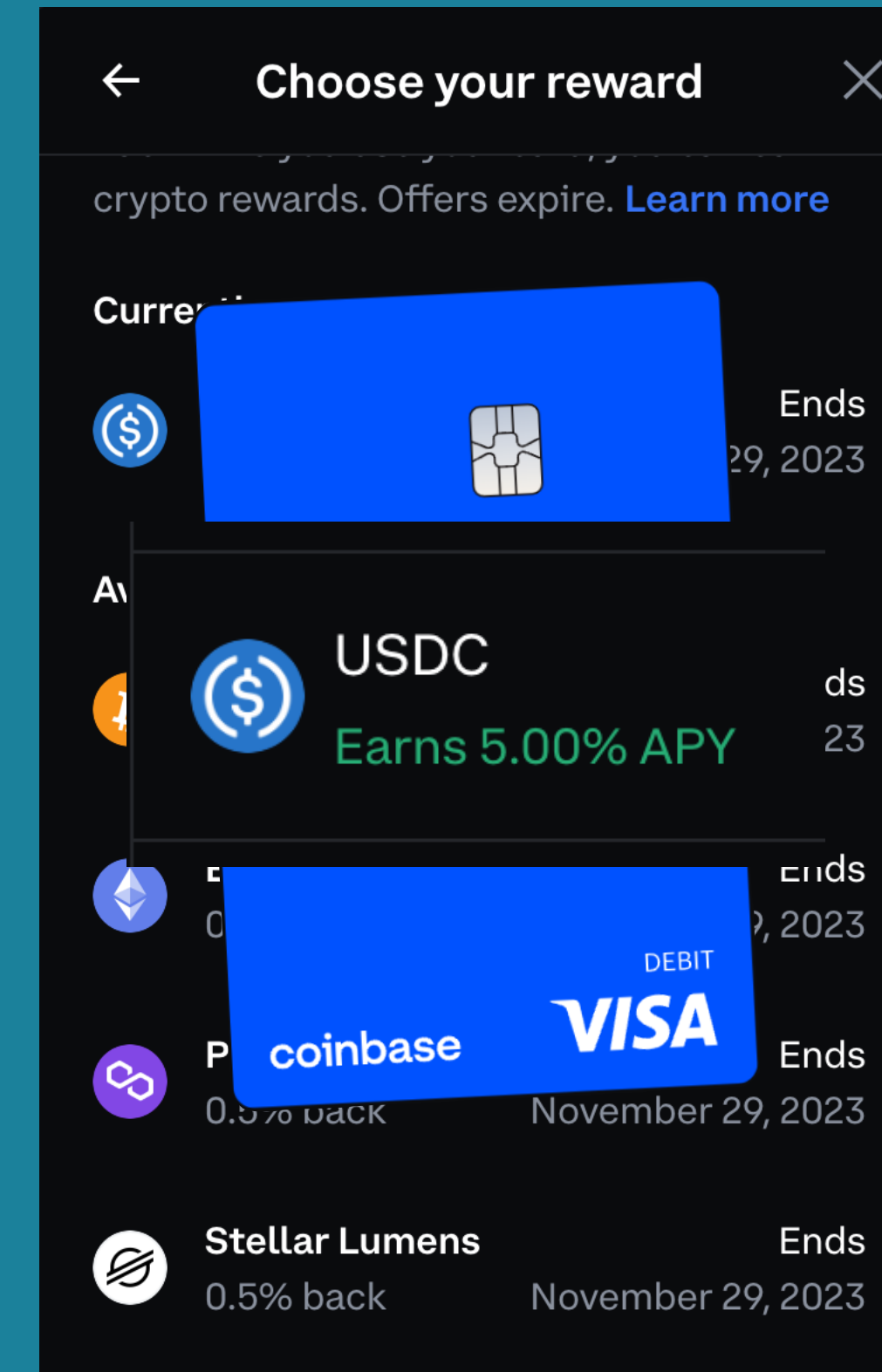
Stablecoin figures are adjusted on-chain transaction value for major stables via Coin Metrics

Stablecoins: Yield-bearing asset

- US Treasury Bonds
- Staked Ether (Internet bonds)
- Stablecoin issuers make bank (few pass on to customers)
- Tether company (USDT)
 - ≈ 50 employees
 - \$4B/yr
 - Might be *most profitable per employee business* in the world

Stablecoins: USDC real-world example

- Coinbase
 - USDC 5% yield
 - Free sends from Coinbase (no Tx fees)
- Debit card
 - Crypto Rewards (up to 4%, 0.5% currently)
 - Stablecoin-to-Fiat & back instantly
- Superior product



Stablecoins: Ethereum Settlement Layer

- Activity on smart-contract chains (Ethereum, Tron)
- Drives demand for Ether (Tx/gas fees)
 - Ethereum captures value stablecoin activity
 - Paid to Stakers

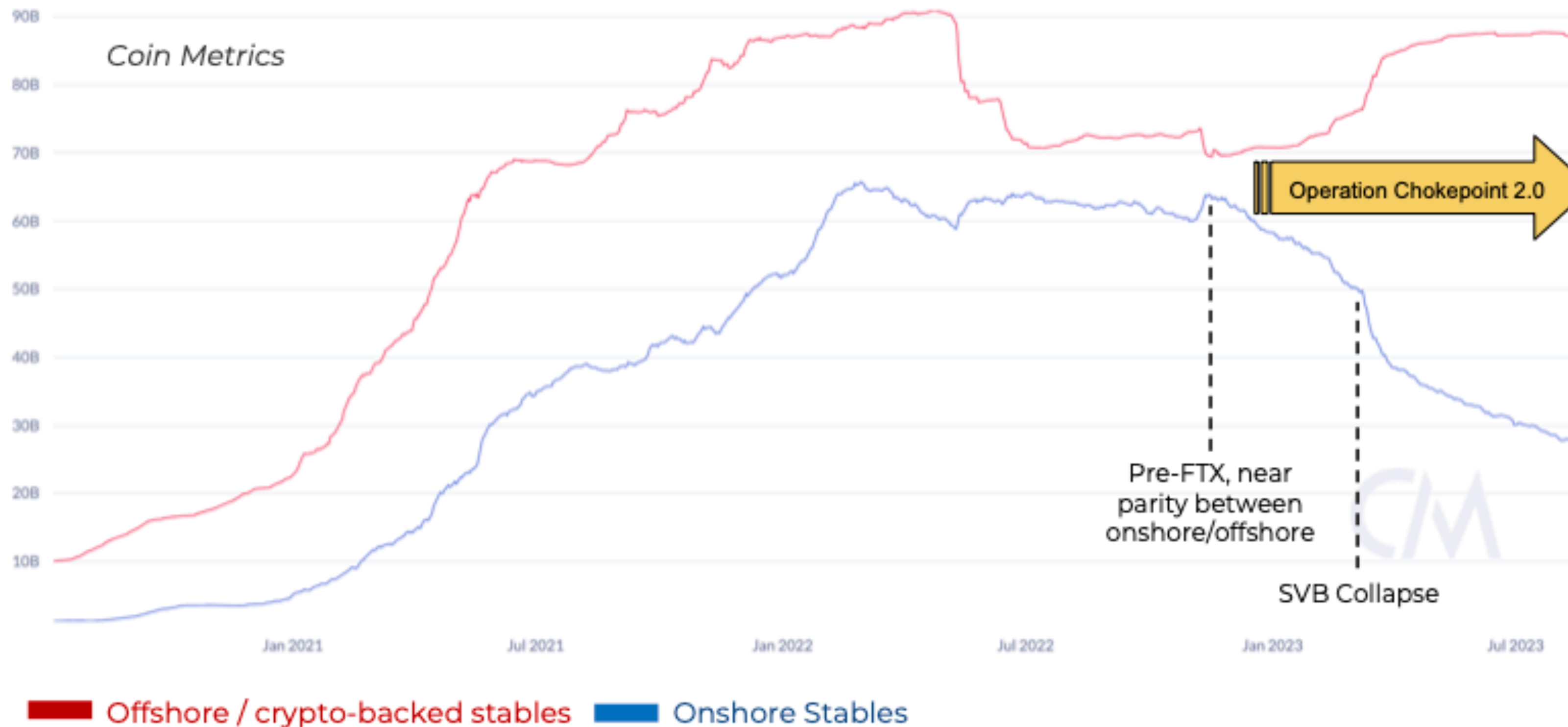
Stablecoins: Dollar-izing the World

- Digital Dollars are in high demand globally
- Latin America (unstable currencies, e.g. Argentina)
- African countries (prev. unbanked, now financial inclusion)
- Western countries (global reserve currency over their own)
 - Europe, Canada, Australia
- Asia? (Less so)

Stablecoins: Bridge fiat to digital currency

- Corporate companies issuing (not US gov)
- Handling the collateral backing (not regulation)
- Global market is choosing digital US dollar (no mandates)
 - Over their own digital currencies (higher USD adoption)
- Market strengthening the dollar during digital currency transition
- Extra-political, market participants have done most the work

U.S. policy choices have led to stable offshoring



Loss of faith in US regulation and hostile environment for stables has driven holders into crypto-eurodollars



Stablecoins: Product Market Fit

- Stable value
- #1 global unit of account (USD)
- Instant*, 24/7 settlement
- Yield-bearing
 - US Treasury Bonds
 - Staked Ether (Internet Bonds)



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- Peer-to-peer digital currency ✓
 - Not Bitcoin, it's Stablecoins
 - Not on Bitcoin network, runs on smart-contract chains (like Ethereum)
- No financial institutions

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 - Not Bitcoin, it's Stablecoins
 - Not on Bitcoin network, runs on smart-contract chains (like Ethereum)
- ~~No financial institutions~~
 - Backed by financial institutions (issuers, treasury bonds)
 - Moving (slowly) to crypto-native backing (Ethereum, internet bonds)

The Future of Finance

- Gutenberg Printing Press
- Enlightenment
- End of Monarchy
- “Separation of church and state”
- Internet
- Cryptoeconomic blockchains
- End of Fiat
- “Separation of money and state”

{Validator}




{Staker}

We're barely scratching the surface

{Consulting}

{Speaking}

radiatewp.com/contact

 Email Us hello@radiatewp.com	 Call Us +1 (480)-485-8784	 Schedule a Zoom Call Schedule Now
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**Slides and resources available:
radiatewp.com/about-us**

The background is a solid teal color with several overlapping, wavy white shapes that create a sense of depth and movement, resembling stylized hills or waves.

Thank you

{ Feedback Welcome }

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