



Is it Time for Your First Cryptocurrency Investment?

It's hard to deny the accelerating pace of cryptocurrency adoption worldwide. 2019 has witnessed a significant price recovery in digital assets such as Bitcoin, with many rallying 300% or more off their February lows. In less than a decade, cryptocurrencies have evolved from a fringe fintech "white-paper" to an exciting new asset class recognized by venture capitalists, banking institutions and even the Federal Reserve.

While volatility in digital asset prices have kept many institutional investors on the sidelines, several large financial firms including Fidelity, Blackrock, JP Morgan, Goldman Sachs and Intercontinental Exchange (NYSE) have committed substantial resources to the continued assimilation of digital assets into traditional wealth management. Countries and governments at nearly every level have also started to embrace the notion that the future of finance will be increasingly digital.

According to John Sarson, Managing Partner and CIO of cryptocurrency firm Sarson Funds, "There was a time when the notion of turning gold and silver into tradable paper notes seemed to fly in the face of reason and the same mental hurdles need to be overcome when investing in digital assets."

It's been quite a busy time for anyone tracking the worldwide adoption of cryptocurrencies. Over the past three years governments around the world have slowly come to see the benefits (and perils) of decentralized money. Money that can move around the world with the same ease as torrents of data that currently power crystal-clear video calls and lightning-fast downloads has far reaching implications. Many technologists see cryptocurrencies as the completion piece the internet was waiting for to unlock its true potential.

Before the advent of cryptocurrency, it was possible to video chat with someone in a remote corner of the world, but it wasn't possible to send that same person a dollar, or even a penny – at least not efficiently. Before Bitcoin, the only option for sending money to far flung locales like Bhutan or Bahrain was the international Fed-Wire system, which takes several days and incurs fees as high as \$50 dollars to complete a transfer. This is certainly problematic for a one-dollar transaction and doubly problematic if either party happens to be a part of the world's 1.8 Billion people without access to western banking. Cryptocurrencies, led by Bitcoin, have changed that.

Cryptocurrencies are catching on in different places for different reasons. While technologically advanced Japan was the first major country to officially recognize Bitcoin as legal tender, it was the cash-starved government of Venezuela that gained global headlines and the attention of economists with the announcement that it would accept Bitcoin and Litecoin for tax payments. Many believe that the country of Venezuela will go down in history as the "first domino to fall", the first of many beleaguered nations that will see their national currency fail as their citizens seek shelter in non-sovereign digital assets.

It's not just emerging economies, however, that are flocking to Bitcoin. Germany's second largest stock exchange, Bourse Stuttgart Group, officially launched cryptocurrency trading along with Japan's largest bank, Mitsubishi Bank and Swiss banking giant Julius Baer has announced plans to offer cryptocurrency exchange and custody services.

Closer to home, it seems Wall Street may have finally reached a tipping point on cryptocurrency investing. During 2018 industry leaders Goldman Sachs, Nasdaq, Fidelity, Bank of America, JP Morgan, Morgan Stanley and the NYSE either formed strategic alliances with established cryptocurrency firms or committed substantial resources of their own to the continued assimilation of digital assets into traditional wealth management. Vocal proponents of cryptocurrency that emerged in 2018 include, David Swensen (the head of Yale's endowment who recently allocated to two cryptocurrency funds) and famed investors George Soros, Marc Andreessen and Mark Yusko.

Coinbase, the largest cryptocurrency exchange in the US, is one beneficiary of the public's increasing obsession with cryptocurrencies. The firm reports 30 million user accounts. Private equity investments from Blackrock and other well-heeled investors place the company's valuation around \$8 Billion dollars. Eager to participate in the movement, other industry leading companies like Facebook, Starbucks, Square, AT&T, Overstock.com, Mastercard, Money Gram, Nike, Coinstar, Tesla, Uber, Samsung and others, are all either launching digital currencies or positioning their firms for the digital future in other meaningful ways.

Where Bitcoin and other digital assets go from here is the big unknown. In this new paradigm, some companies will adapt and thrive while others will face obsolescence. We believe that we are still in the early innings of the cryptocurrency and blockchain technology revolution and that more upside remains for nimble investors. Please give us a call to learn more about investing in cryptocurrency.

Monon Wealth Management

**Serving You and
Your Family**



99 E. Carmel Drive, Suite 160
Carmel, IN 46032
P 317-993-3999

<http://mononwealth.com/>