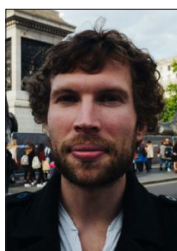


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- What is BAT and how does it solve this multibillion-dollar problem?
- Last month's survey results

Virtual insanity

Harry Hamburg, Editor



One of the main criticisms of cryptocurrency is it's solving a problem that no one has.

For the average person on the street, fiat currency and modern banking work pretty well.

The new challenger banks like Monzo and Revolut let you spend money abroad at the Mastercard rate.

They also update all your transactions instantly. No more waiting till Tuesday to see what you spent over the weekend. It's all on the app.

Even traditional banks let you transfer money to anyone you want instantly and for free. The Faster Payments system we have in this country works flawlessly.

In countries like Venezuela, which is suffering from a 1 million per cent inflation rate, cryptocurrency makes much more sense. (If you missed my story about Nano being used to save lives in Venezuela in *Exponential Investor*, you can read it [here](#).)

But in "stable" countries with decent financial systems, cryptocurrency is a hard sell.

So I can see why many people trot out the "cryptocurrency is just a solution looking for a problem"

line.

Now, of course you could argue, as many do, that the financial system is not "stable" in any country. Look at the 2008 crisis, look at the dotcom crash, look at Black Monday... look at the Great Depression.

And it's true. The financial system is not fair. It is corrupt. It is filled with parasites and cronies and zombies.

But most of the time it works. And more importantly, it just gets out of the way. People accept it. They live with it. And until there is another financial meltdown, the argument for switching to cryptocurrency will likely fall on



deaf ears.

If it ain't broke, don't fix it

This is one of the reasons I don't think cryptocurrencies, or currency cryptos as I usually call them, will take off.

People tend to take the path of least resistance.

So if you want your technology to succeed, it has to become the path of least resistance. It has to solve a real, not merely a perceived, problem.

And there is a real problem out there, which crypto is in the process of solving.

This problem probably isn't something you've actively thought about. But I can guarantee it annoys you.

In fact, I can guarantee it annoys every single person you know, every single day of their lives.

This problem has become so ubiquitous, it's almost comical.

And yet, we just mindlessly accept it. Oh, it annoys us. But we, for some reason, continue to put up with it.

It's just become background noise in our day-to-day lives.

But the thing about background noise is, if you turn it up loud enough, it drowns out everything else.

And that is the point we've now reached.

The background noise has become deafening

So, what exactly is this problem?

Online advertising.

But it's not merely just "online advertising" it's the absurdity that the entire online world has become, thanks to online advertising and regulators' attempts to clean up online advertising.

Rather than helping the average person, GDPR and the like has led to users having to click through a series of popups, landing page and consent mechanisms before they are allowed to view anything.

How many times did you have to click "I consent" or "I accept" today already?

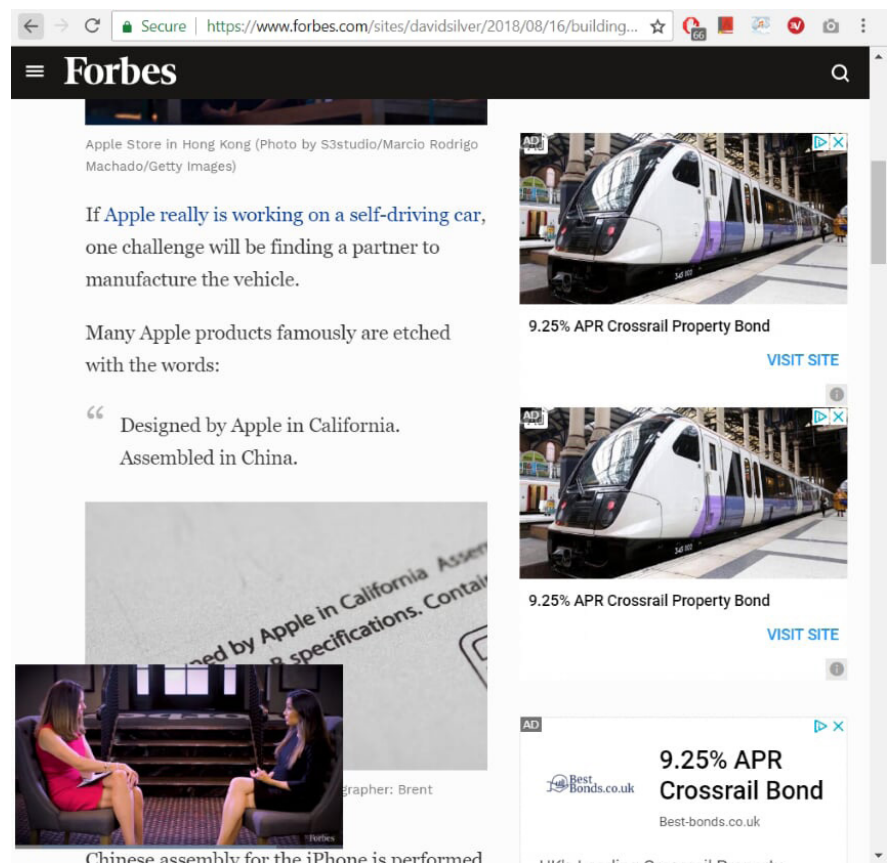
And then after you manage to get through the waves of consent popups, you're then faced with a webpage that changes in size as you try to read it. Ads pop up from nowhere, they take over your screen and block your content.

The image below shows what I was faced with yesterday while trying to read an article on Forbes.

The column on the left that starts with "If Apple really is working on a self-driving car" is the article.

Everything else around it is bloat. There are three ads for the same thing on the right, a banner telling me I'm on Forbes at the top, and an auto-playing video I cannot close on the bottom left.

The actual content takes up less than a quarter of the page.



Why do we accept this? It's ludicrous.

And because there is so much added bloat on every page, your browser slows to a crawl. It's like surfing the internet before broadband was invented.

If you use an adblocker, it's even worse.

Most websites force you to turn it off before you can browse. So you have to consent to their tracking software, then consent to turning off your adblocker, then reload the page and then close wave after wave of ads and popups before you can even view any real content.

"Do you want to accept our cookies?" I don't care! Just let me view the damn webpage

Just think about the process you have to go through whenever you visit a website.

It's bad enough on a desktop or a laptop. But on your mobile, with its limited screen space, it's insane.

And let's not forget. You are the customer here. These websites should be providing you with as friction-free an experience as possible.

Seriously, how long can a system like this last?

Think about it. Really think about the absurdity of it. How have we just accepted this?

A few years ago websites would

insist that their page loaded in under three seconds. Any longer than that and users would simply click off and go to a different site.

Well what's the point of going on a different site when every single site now loads at a snail's pace and makes you jump through hoop after hoop before you can even view anything?

It's not like the websites want this to happen. They are just as much a victim here as the users are.

That's the genius of it. Everyone in this scenario is losing. There are no winners. It's comic absurdity at its best.

I'll breakdown the problem from the point of view of every involved party.

It is a problem for users

For users this is a two-pronged problem.

First, it's a straight-up usability problem. You don't want to have to jump through hoops and click consent forms to view a webpage.

And when you're there, you don't want to have to close ad after ad that pops up or appears over what you're trying to watch or read.

It's like walking into a shop and the assistant standing in front of you, making you sign a form before you can go in.

Then when you finally get in, the assistant follows you around flashing products you don't want in front of your face as you try to find what you actually came in

for.

No one, in any country in the world, would stand for this kind of treatment in real life. Yet when we go online, we just lie down and take it willingly.

The more I think about the situation we're in, the more I can't believe that we all just put up with it.

But it's even worse than that. As I said, this is a two-pronged problem for users.

Remember that to get into the website in the first place you had to accept the site's data and cookie policy? Well now they own you.

Only it's not really the site that owns you, it's the companies that run the ad space on the site that own you.

They get your browsing history, your personal information, your habits... sometimes even your email address and phone number. And then they use it all against you.

With this data they can promise companies more "personalised" ads. They can target specific demographics charge more for their ad spaces.

That's why the same ads follow you around from website to website and from platform to platform. Someone has paid to get your personal information so they can target you specifically.

Of course, they may not have that information themselves. If they don't they can simply buy it from



other ad companies.

Because as well as retaining your personal data for themselves, to better target their own ads, these companies also buy and sell your data between themselves.

Now thousands of ad providers have your data and they can all send you “personalised” ads.

This is why those tracking cookies are so important to them. No cookies, no data. No data, no money for them.

That’s why they force you to agree to these tracking cookies before you can enter any site.

GDPR was supposed to help us with this, but all it did was add another hoop we have to jump through when browsing.

It hasn’t stopped companies cashing in on our personal data. It’s just made it so we have to “consent” to it first.

Only consent in this case isn’t really consent at all.

You do have the choice not to consent. But then you don’t get in, you’re exiled.

It’s like when you’re at the airport and you have the choice between consenting to a search or not getting on your flight.

Of course, you have the choice not to consent. But how many people take it?

It’s a problem for the websites themselves

It’s not like these websites want to abuse you. They want to treat you well. But they’ve got to eat too. And this is currently the only way to do it.

Unless they are a shopping website, they need ads to survive. This is the online business model.

Advertisers pay websites for space on their pages. The more visits a page has, the more they pay.

This model is what created “clickbait”.

Because advertisers pay more for more clicks, websites began baiting people into clicking onto their pages. It doesn’t matter if the content is any good or not, so long as it gets clicks.

As Medium’s CEO Ev Williams put it well in a blog post about the state of the industry in 2017:

Upon further reflection, it’s clear that the broken system is ad-driven media on the internet. It simply doesn’t serve people. In fact, it’s not designed to. The vast majority of articles, videos, and other “content” we all consume on a daily basis is paid for—directly or indirectly—by corporations who are funding it in order to advance their goals. And it is measured, amplified, and rewarded based on its ability to do that. Period. As a result, we get...well, what we get. And it’s getting worse.

Williams is talking about online

publishing, but it is applicable to almost all online content. His point is a good one.

It’s even a problem for the ad industry

Like I said. No one is winning here.

Ad companies know you hate them. They know many people use ad blockers and they know they are in a constant war for clicks.

These companies make money by taking your personal data, analysing it and then using it against you. The more personal the data. The more detailed the stats they can draw from it are. And the more money they can make.

And that’s if these companies themselves aren’t being lied to by all the middlemen in the ad industry. Because this process is so complicated and has so many moving parts, it is rife with fraud.

A lot of the time the ad companies can’t trust the data they are getting. In fact, according to Statista, online ad fraud will cost the industry \$19 billion this year, and \$44 billion a year by 2022.

So, not only are they hated by society. But they are victims, too.

And because of their ignoble tactics, they now have an even bigger problem. The world is now fighting back.

This year the GDPR regulations came into force and ripped through the industry.



How many emails did you get in April and May from companies pleading with you to keep in contact while that was going on?

At one point I was getting around five a day, from places I'd never even heard of.

All it's resulted in is more popups. More consent forms. Worse user experiences. And just a ridiculous state of affairs that I have talked about above.

But it's not only regulators that are clamping down on the harvesting of private information. It's the media and the public, too.

Facebook has, rightly or wrongly, been demonised. (Probably rightly, to be fair.)

Its data harvesting and manipulating was, if you believe the clickbait news headlines, responsible for the outcome of both the Brexit result and US election.

People are leaving Facebook in record numbers.

Data harvesting has now become a societal issue.

To steal a line from *The Lord of the Rings*, the advertisers "delved too greedily and too deep..."

They have sown the seeds of their own destruction.

If advertisers are getting access to less personal information, how can they expect to keep making the same amount of money?

Access to personal information is

what their entire business model is based on.

A situation like this cannot stand

No one is winning here. It's just a horrible depressing spiral of despair.

Bill Bonner talks a lot about win-win and win-lose deals in his writing. Well the world of online advertising is neither. It's lose-lose-lose.

When you take a step back and think about it, it's insane.

It's like a sketch from a dystopian sci-fi comedy. It's the kind of thing you'd watch and write off for being too unrealistic. But it's real.

Like most ridiculous situations that we just accept, it crept up on us. But it's now got to such a point of absurdity that people have started to notice.

It's the kind of thing that people will look back on and say, why the hell did we put up with that for so long?

Quite simply, it cannot go on like this.

It needs... a solution.

Perhaps a solution like... yes, you guessed it: crypto.

Finally, the "solution in search of a problem" that crypto is may have met its perfect match.

I think it's fair to say online advertising is a problem – a worldwide multibillion-dollar

problem – crying out for a solution.

And late last year, some very clever people may have just solved it, with the creation of BAT.

What is BAT and how does it solve this multibillion-dollar problem?

BAT stands for Basic Attention Token.

The idea is that as an advertiser you pay for people's attention. As a website you make money by maintaining people's attention. And as a user you get paid for giving your attention.

Hence the name: Basic Attention Token.

This is all facilitated by the BAT ecosystem and Brave browser. Here it how it works and what it solves.

It solves the problem for users

Instead of using Chrome, Internet Explorer, Safari, etc, you use the Brave browser.

This browser is based off of Chrome and works in pretty much the same way, with one major difference: it blocks ads and trackers by default.

Aside from the obvious benefit this has of getting rid of all the obtrusive ads you see and letting you keep your private information private, it also means everything runs much, much faster.

On Brave, webpages load between



two and eight times faster than they do on Chrome and Safari.

It solves the problem for websites

This is great for users, but how are websites supposed to support themselves now, with all their ads blocked?

Well, users can choose to unblock ads, and they get paid for doing so.

If you let websites display ads, you get 15% of the revenue the website receives from the advertiser for your view. Brave itself gets 15% and the website gets 70%.

For viewing private ads, directed at you more specifically, you get 70% of the revenue and Brave gets 30%.

BAT and Brave's CEO Brendan Eich estimates from viewing these ads, users could make between \$9.60 and \$224 per year, depending on how many they viewed and how in-demand their demographic was.

And of course, that's only if you choose to view ads at all. You can still keep them blocked if you want.

Websites can also make money from being paid directly by users. The Brave browser allows you to buy any amount of BAT and have it distributed to websites.

You can either choose which websites get what percentage, or you can have it auto assign amounts based on how much time you spend on each website.

So, say you decided to pay for your web browsing like you pay for Netflix or Spotify and not view any ads at all.

You could put in say £10 a month and this would get you access to paywalled websites, like The Wall Street Journal, The Times, etc.

These sites would get a certain cut of your £10 a month depending on how much time you spent on each one. It's a much fairer subscription model.

Oh, and this isn't a farfetched idea that will never take hold. Many of the big paywalled sites have already partnered with BAT to offer this service. I'll get into the details of these deals in the ranking section a little later.

And it solves the problem for advertisers

Advertisers don't get any access to your private data, so they don't fall foul of any data-protection laws.

Their ads only go to people who are okay with seeing them and getting paid for seeing them, so the hatred towards the ad industry diminishes and everyone sees it in a better light.

They also get the chance to target their ads more directly and much, much more accurately. So they make more money for their clients and for themselves.

And, as it cuts out so many middlemen and is all done through the blockchain, it eliminates ad fraud.

Not only does this save the industry billions of dollars but it means the statistics they get on their ads become much more usable. So it in turn also makes them much more money.

But how can advertisers target ads without getting access to user data?

Probably the best part of the whole system is that all ad matching is done within the user's device. No user data required for ad-matching ever leaves the user's device.

Basically the Brave browser sees everything you do. What websites you visit, how long you stay on them, what you click on, what you scroll down on, what you close, what you search for, etc.

That sounds incredibly invasive, but remember, this data never leaves your device. No third party has access to it. It's never sent anywhere.

The Brave browser downloads a cache of ads and then it matches these ads offline, within your device and displays them on websites or directly to you if you choose.

So, say you spend a lot of time browsing websites about Labrador Retrievers and how to care for them. Your browser knows this, but no one else does.

A dog food company, with a specially formulated Labrador Retriever food buys ad space and wants its ads targeted at people who are likely to own Labrador



Retrievers.

Its ad is put into Brave's ad cache, which your browser downloads. Within your device, the cache matches you to relevant ads.

When you next go on a website, the ad you see is for this brand's dog food.

The brand has no idea who you are. The website has no idea who you are. It's all done within your browser on your device.

The matching is done locally, rather than having all your data sent out to a server and then analysed and then having the ad matched and then downloaded and displayed.

And because this matching and analysis is all done offline, directly on your device, the webpage loads much, much faster and uses much, much less data to do so.

But how can advertisers analyse their ads performance without getting access to user data?

As advertisers never get any data from users, you may think it would be impossible for them to check if their ads are working or not. But BAT has solved this problem too.

It uses zero-knowledge proofs to work out how to pay websites for the time you've spent browsing them – and also for reporting how ads have performed to advertisers.

From Brave's website:

How much personal information does Brave Payments collect about its users?

Brave Payments uses a technology called Anonize that permits anonymous-but-accountable transactions. Here's an analogy from the real world: someone walks into a polling place, identifies themselves, and gets a ballot and an envelope. They go into a voting booth, mark the ballot, put the ballot in the envelope, and seal it. They then drop the envelope in a ballot box. The people running the polling place and counting the ballots know that each person putting an envelope in the ballot box is authorized to vote, but they aren't able to determine which envelope in the ballot box goes with which person. In the case of anonize, a special branch of cryptography called "Zero Knowledge Proofs" are used to achieve the same result.

So, basically advertisers get to see how their ads are performing, but they can't get access to anyone's personal data, just like a polling station knows how many votes a candidate got, but they don't know who voted for them.

BAT takes this lose-lose-lose situation and turns it into a win-win-win one

It's a win for users:

No one gets access to your data. Pages load faster. You only view ads if you want to get paid for viewing them.

And, if you want to support websites and encourage them not to have ads you can use a fair subscription model. It's crazy having to pay many subscriptions to many different websites. With BAT you could just pay a single subscription that would give you access to all the sites you want.

It's a win for websites:

Their content takes priority. Only people who want to get paid for viewing ads will view ads. And they can offer a subscription service as a way of monetising and avoiding ads altogether.

It's a win for advertisers:

They get much better ad-matching with less fraud and manipulation. They don't fall foul of any data protection laws because they never even get access to any user data. And only people that want to view ads will do so.

This means their ads will perform better, make them more money and make people hate them less.

There is just one problem with this whole system.

Will people really switch to Brave over Chrome and Safari?

This was probably my biggest objection.

It is very difficult to get someone to change their habits, even if it will benefit their life.

However, let's not forget that Chrome got so big in the first place by displacing Internet Explorer.



If Brave offers a much, much better user experience, people will switch to it. This happens all the time in tech. Better tech comes a long and people just switch to it.

Facebook did it to MySpace. Chrome did it to Internet Explorer. Spotify did it to iTunes. Netflix did it to blockbuster and now to Sky. Apple has made a career of doing it in many different industries.

And it turns out people are switching over to Brave, in record numbers.

Brave browser now has over 3 million active monthly users.

And it is in the top 10 most downloaded Play Store apps in the “free communications” category in 21 countries.

It is projected to hit over 5 million monthly active users before the year is out.

Still, that’s a drop in the ocean compared to the more than 1 billion monthly active users Chrome boasts.

Users can also use a BAT plugin on their normal browser, which will allow them to use BAT payments to pay their favourite websites and content creators directly.

However, with this plugin you don’t get all the benefits of the Brave browser. Websites will still be able to steal private data.

So, for BAT to succeed it doesn’t need to kill Chrome. But the whole system works a lot better – the way it’s supposed to – if people switch to it.

If they don’t, they are still giving away their private data and they can’t get paid for viewing ads.

Even if you don’t want to invest in BAT, I think it’s good to know it’s out there and that is has a good chance of solving this most infuriating of problems.

However, if you are looking to invest, let’s rank it.

BAT ranked

Scope

I have already covered what BAT is about and its scope in all of the above. So I won’t go over it all again here.

I think it’s fair to say BAT’s scope is pretty vast. Although, its scope is fairly different to the other cryptos I’ve ranked before.

It is not setting out to be a platform crypto for others to build things on. It’s an actual product in itself. It is a utility crypto, not a platform crypto.

But what it is setting out to do is massive. And the potential market here is equally massive. It is setting out to replace a broken system that affects everyone you’re likely to ever meet every single day of their lives.

So, although it’s just a utility crypto, it still has huge scope. For this reason it gets an nine.

Scope: 9/10.

Team and partnerships

This is a place BAT really, really

excels.

Its CEO, Brendan Eich, is the creator of the JavaScript programming language.

This is basically what the web runs on. It is by far the most widely used programming language in the world.

This man created the best programming language in the world and now he runs BAT and Brave.

I can’t see how you could possibly have a better person running a project like this than Brendan Eich.

Why? Well, he also co-founded Mozilla Firefox – the fifth most popular web browser on the market, which has more users than Internet Explorer.

This is a man who had the vision and skills to create a programming language that would come to surpass all others. And he brings that same mindset and skillset to his work with BAT and Brave.

He has also already created the fifth most popular browser in the world. And he is applying everything he’s learned to BAT and Brave.

When you know this, it comes as no surprise to learn that most people who use Brave say it is the best browser they have ever used.

The rest of the team is also made up of proven heavy-hitters, with well-proven track records.



As for partnerships, well that is what BAT is all about.

From its Reddit FAQ:

BAT and Brave have official partnerships with Dow Jones Media Group, DuckDuckGo, TownSquare Media and others. Major YouTube stars with whom we have partnerships include Philip DeFranco and Bart Baker.

Over 14,000 websites, YouTube creators and Twitch streamers are verified publishers with our Brave Payments program and receive monthly contributions in \$BAT from users.

Verified publisher websites include major publications such as The Guardian, The Washington Post, VICE, Vimeo, MarketWatch, Barron's, in addition to major YouTube and Twitch channels totalling over 180M subscribers.

Getting influential YouTubers, Twitch channels and content creators on board is a great move.

Their fans want to be able to support these people, but the way YouTube and other platforms treat these creators isn't great.

I have a friend with over 600,000 YouTube subscribers. But even with that many subscribers and over 137 million total views, his YouTube channel barely makes him any money. It's not even a big source of income for him.

Again, BAT changes the game here. It allows subscribers to pay these creators for their content

directly. And BAT incentivises them to do this and to promote BAT to their fans and subscribers.

It's a great strategy, and it means both fans and creators win.

BAT's team and partnerships are top notch, and for that it gets a 10.

Team and partnerships: 10/10.

Why the tokens have value

In order to use Brave payments, you need to use BAT. In order to pay verified publishers and brave partners you need to use BAT. In order to get paid as a publisher, you need to use BAT.

In order to add money into Brave browser to pay websites, you have to use BAT. And in order to receive payments for viewing ads, you need to receive them in BAT.

BAT is fundamental to the ecosystem Brave has created. If you want to take part in this new paradigm, you need to use the BAT token.

There is a limited supply of BAT (1.5 billion tokens) and it is in demand from all of the above. This is what gives the tokens value.

It does suffer the same flaws that any cryptocurrency does, however. It is wide open to volatility and price swings, as we've seen over the last few months.

But in terms of a value proposition BAT has a fairly strong one. It's not as strong as something like Ethereum, but it is much stronger

than a purely currency-based crypto.

It is the fuel of a whole advertising ecosystem. If the system really takes off, the value of the BAT takes off with it.

The value of the tokens really comes down to the success of this new and better system.

So, although it's not a platform crypto, it is very clear why the tokens have value. For this is gets a nine.

Why the tokens have value 9/10.

Passive income potential

You don't get any kind of dividends for holding BAT. So in that respect there is no passive income potential.

However, you could make money as a publisher or content creator yourself. Or merely by viewing ads. Still, unless your website or content is extremely popular, you won't make much.

So for passive income potential it gets a 1.

Passive income potential: 1/5.

Competition

In terms of crypto, BAT doesn't have much competition. There aren't any others in this sphere with such a well-developed ecosystem and partnerships.

In fact, I can't even think of any in this space doing something similar.



NANO did beat it to the punch with Twitch (Like YouTube for gamers) payments, but NANO doesn't have the whole system in place that BAT does. It's merely a currency crypto. A good one, but it doesn't have the scope that BAT has.

BAT's main competition is not from crypto, but from traditional ad services. As it cuts out so many middlemen, it is sure to rile more than a few companies.

One of its main competitors is Chrome and Google itself. However, when someone raised the question of whether Brave can really ever take on Chrome in BAT's Reddit, the bat team gave the following response:

Keep in mind that BAT will not be limited to Brave and we expect to bring it to other browsers too. It will also be brought to other apps, including chat apps, games, podcast apps, anything that has attention and place for advertisements.

It could be that in the future, the biggest usage will not be in Brave at all. But in the meantime, we are growing and proving the model with Brave, and we are growing fast. As you know, 2.2M users now, and projections for 5-10M by end of year.

For Brave itself, as long as we have same or better performance, the native 3rd party ad blocking to protect privacy, same extension support (v1.0) plus a way to get paid for browsing and some other fun BAT features and utility (which

allow you to redeem goods, subscriptions, gift cards, etc.), the incentives will be there for people to switch and go viral. Many people in the crypto space will also be attracted to it (lead users) because of web3 features!

People doubted Brendan when he made Firefox. They said people would never switch from Internet Explorer which comes shipped with every PC. Look what happened!

Given all of the above, it gets a four for competition.

Competition: 4/5.

Ease of use

With BAT being an ERC-20 token, it is just as easy to use as Ethereum and can be stored in any Ethereum wallet.

Also, as you will see in the "trigger points" section, Coinbase has stated in a public blog post that it is looking to add BAT. Once it's on Coinbase it will be truly easy to get hold of and trade in/out of.

Also, setting yourself up as a verified publisher is super easy, and so is using the Brave browser.

BAT really bridges the gap between crypto and the real world. It is solving a problem and crypto is merely the best solution for solving the problem it has identified. It is not a crypto looking for a solution.

It is a ready-made solution that already works brilliantly.

So for ease of use it gets a five.

Ease of use: 5/5.

Caveats

Firstly there is the caveat that every crypto gets. Crypto is incredibly volatile. Most cryptos are currently down 70% to 95% from their highs in January. As a crypto investor, you should know this comes with the territory. But it is still a clear caveat.

There is also the caveat that BAT is taking on some of the biggest names in tech, as I have already stated.

Also, as it is built on Ethereum, if something major happens to Ethereum, it will take BAT with it.

However, BAT could also switch to using a different platform crypto if something did go wrong, or simply if one had a better fit.

When asked if BAT would switch to a different platform to overcome Ethereum's scaling issues, Eich said:

We have thought about this enough to view it as an option – no token or coin of value should ever be marooned unless the human element goes wrong. For now we are confident in Ethereum scaling but we're keeping an eye (and will help if we can, as we grow).

However, that would be a pretty big task, and it would disrupt users, and so it would probably be something of a last resort. But the option is there.

Given all this, I'm going to give BAT a minus four for caveats.



Caveats: -4/-10.**Total**

This gives BAT a score of 34/45.

And a (rounded) 76%.

This puts it even with Nebulas, slightly above NEO and behind Ethereum and IOTA.

Current market cap and what that means

BAT is currently in 39th place on CoinMarketCap. It has a market cap of \$209.8 million.

The price of one BAT is \$0.021, which is 78.5% down from its all-time high of \$0.98 set on 9 January 2018.

You could say that if it makes it back up to its all-time high price it would hand you a 366% return, or just over 4.5 times your money back. But then you could say that about all cryptos right now.

I guess a better way to look at it would be to look at how much the ad industry is worth right now and to see if BAT's market cap makes it seem over or under priced.

Last year more than \$88 billion was spent on online advertising.

And given that BAT can bring in more than just advertising money – it can bring in subscription-based money, like Netflix or Spotify – the market is really much bigger than that \$88 billion.

Discounting that, if BAT could capture even 5% of the online ad

market, it would be worth around \$4.4 billion. And that's just 5%.

If the model really took off it could end up increasing the total amount of money in online advertising because it makes everyone a winner.

So really, the possibilities here are hard to quantify. But, if crypto takes off again I would expect BAT to go to at least \$1. But, as I'm sure you're aware, that is a big IF.

Trigger points

One word: Coinbase.

For many months it has been rumoured that Coinbase will be adding more cryptos to its platform. Yes, it added Ethereum Classic, but that should be ignored by any serious crypto investor.

Much more promisingly, Coinbase has been rumoured to add BAT, 0x, OMG, Stellar Lumens and a couple of others for some time.

The rumours got very strong a few months ago and Coinbase had to issue a statement saying it would not be adding any new cryptos for some time.

Then on 13 July, it released an official blog post saying the following:

Coinbase is Exploring Cardano, Basic Attention Token, Stellar Lumens, Zcash, and 0x

We are exploring the addition of several new assets, and will be working with local banks and regulators to add them in as many jurisdictions as possible.

Today we are announcing that we're exploring the addition of the following assets to Coinbase:

Cardano (ADA)

Basic Attention Token (BAT)

Stellar Lumens (XLM)

Zcash (ZEC)

0x (ZRX)

We are making this announcement internally at Coinbase and to the public at the same time to remain transparent with our customers about support for future assets.

Understandably, all these cryptos jumped on the news, and then dropped back down a bit. Since then the market has continued to crash and those gains have been more than wiped out.

Now, I should make it clear I don't expect the listing on Coinbase to make BAT surge straightaway. Many times when cryptos get added to big exchanges they actually dump in price. And there's a good chance BAT will too.

But over time Coinbase will make a huge difference to BAT's price. The rise of Litecoin late last year can be ascribed to the fact that it was the cheapest of the three cryptos available on Coinbase at the time.

Coinbase is a massive, massive audience that lets non-tech-savvy people buy and sell crypto. It's like the Apple of crypto exchanges.



Being on Coinbase gives a crypto the seal of approval, and more importantly it makes it incredibly easy to buy.

This will also be important for BAT's development, given how many people will want to be cashing in and out of their ad revenue. Coinbase will provide a simple, easy, fast and secure way to do this.

There is no time frame on this, but given that BAT is an ERC-20 token (built on Ethereum), it will be incredibly easy for them to add. So it will probably be among the first of the five, along with Ox.

There are also smaller trigger points that BAT could leverage. Like whenever a big story comes out about data protection or the ills of online advertising.

Also, whenever it signs a major publisher or content creator up to its ecosystem this has proved to bump the price previously.

BAT's code is currently undergoing a rewrite, and when that is released – it's scheduled for this autumn – we can expect it to gain more popularity and adoption and thus higher prices.

This new release will also allow anyone to use BAT to tip people on Twitter, Reddit and other social media platforms. Like someone's tweet? Show them with a 20p tip.

This may sound like a small development, but if you have a big following, or post interesting things, it could make you a lot of money.

And so, this will, again, bring major influencers on board and they will in turn bring their masses of fans and followers. At least that's the theory. I think as strategies go, it's a fairly good one.

Conclusion

There is still no getting away from the fact that BAT is a utility crypto, not a platform crypto. It is built on top of Ethereum. So in a way it just shows the huge scope of what Ethereum can be used to create.

However, out of all the utility tokens, BAT is my current favourite.

I think its scope is big enough that it could eventually break free of the boom and bust cycle of crypto. It could become a product and a platform in its own right.

Hopefully it can get people to not focus on the fact that it is a crypto, but on the solution it is providing to the problem we face every day we use the internet.

As I said earlier, when a system is this messed up, it can't last that long. Once people take a second and really look at the mess we're in... and see how easily BAT could solve it all... I think it could be a game changer.

That word is overused. But I think it's probably the most fitting description for what BAT is doing. It is rewriting the rules of the game. Taking it from a game that has no winners into a game that everybody wins.

It's rare you get a crypto with such a strong use case that is solving

such a clear and present problem.

Come to think of it, I can't think of any other cryptos taking on such a big problem and providing such an elegant solution.

Even if you have no intention of investing in BAT, you should be happy to know it is out there and that it has a real chance of making all our lives less frustrating.

I don't yet have any money in BAT, but I intend to put around 5% of my portfolio into it over the next couple of months.

Whether you choose to invest in it or not is, of course, entirely up to you.

BAT resources

[White paper](#)

[Website](#)

[Binance, where you can trade Ethereum for BAT](#) (for until it gets listed on Coinbase)

[Reddit](#)

[CoinMarketCap page](#)

Last month's survey results

Thanks to everyone who took part in last month's survey: Will all stockmarkets eventually run on crypto?

The results are shown in the charts on the next page.

So well over 90% of you who responded believe, like I do, that all stockmarkets will eventually



run on crypto.

And it seems like the most popular time frame will be around five years for it to happen. Again, I think I'd agree with this estimate.

Technology moves fast, and when something comes along that can save rich people, or any people for that matter, a lot of time and money, it tends to get adopted fast.

So for this month's survey, as you can probably guess, I'm asking you about online advertising.

Just as with the other surveys this is completely anonymous, you don't need to enter any personal details to take part. Not even an email address.

This month's questions are:

Do you think the online advertising model is broken and in need of fixing?

On a scale of 1-10 how much chance do you think BAT has of fixing it?

Do you plan on switching to Brave browser?

Do you plan on investing in BAT?

You can take the survey by following [this link](#).

It will be interesting to see what you all think about this topic. As you can probably tell from reading this month's issue, it's a problem I'm quite passionate about.

Feel free to write in and let me know your views:

harry@southbankresearch.com.

That's all for this month.

Until next time,

Harry Hamburg
Editor, *Crypto Wire*

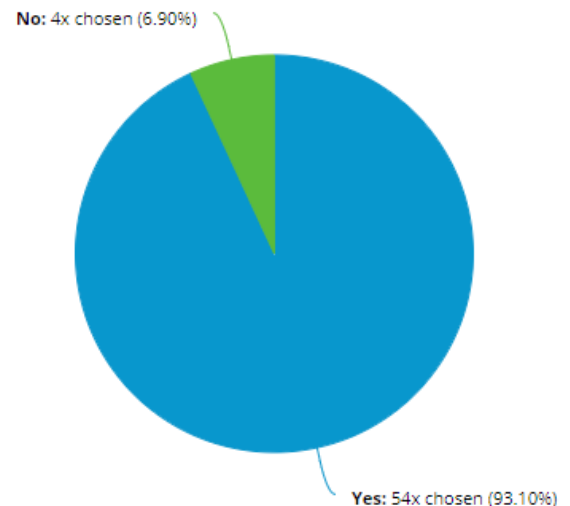
PS If you are wondering what

happened with the bitcoin ETF, well, the decision got delayed, and that is what caused the crypto market to dip under the \$200 billion mark last week. I wrote about it all in *Exponential Investor*. You can read it [here](#).

PPS Yes, I stole the headline of this month's issue from [Jamiroquai](#).

Will all stockmarkets eventually run on crypto?

Number of responses: 58



If yes, how long do you think it will take to happen?

Number of responses: 54

