

RealDaily Crypto Bonus Report

Wayne Burritt, Burritt Research, Inc.
wburritt@burrittresearch.com

10 Cryptocurrencies for the Average Investor

In this report we'll shine the light on 10 cryptocurrencies that the average investor should have on their list. We'll tell you what they are, what they do, and what their outlook is.

But we won't tell you to buy them.

Nope. That's something you'll need to decide on your own. In fact, these 10 cryptocurrencies are a collection of the most volatile assets we've ever seen. *Super-volatile*. So, if you proceed, use extreme caution.

You'll also find in this report stories about some of the most fascinating businesses out there. These innovators, entrepreneurs, technologists and blockchain ecosystem enthusiasts have mapped out a vision of the future that is complex, elegant, and downright awe-inspiring.

And profitable.

Cryptocurrencies are the hottest financial asset we've seen in decades. And for good reason: They have staggering investment upside.

You'll quickly discover that these 10 fall generally into two classes: Payment and transfer of value cryptocurrencies (like Bitcoin, Ripple, Litecoin, Stella, and Dash) and Smart Contract and process management cryptocurrencies (like Ethereum, Cardano, NEM, NEO, and IOTA). Both these groups are implementing ground-breaking models.

This report won't touch on the mechanics of trading cryptocurrencies, selecting platforms and exchanges, wallets and security, and other how-to topics. You'll have to fill in those pieces on your own or via one of our other reports.

We hope you enjoy this report as much as we did researching and writing it. Cryptocurrencies are truly a fascinating window to our future.

The Real Daily Team

#1 Bitcoin

What is Bitcoin?

Bitcoin (BTC) is a digital currency that is created and held electronically. Unlike traditional paper (“fiat”) currencies, there is no central authority that controls or manages Bitcoin. Bitcoins also aren’t printed like traditional currencies. They’re produced by powerful computers solving complex mathematical problems.

Bitcoin was created in 2009 – the original release date of the software – and was based on a 2008 white paper created by Satoshi Nakamoto. No one knows for certain the identity of Satoshi or the group associated with the name. It is the stuff of crypto lore.

What Bitcoin Does

Like any currency, Bitcoin facilitates payments and transfer of value. But unlike traditional currencies, Bitcoin doesn’t use a middleman. There are no intermediaries – such as a bank or other financial institution – involved with transactions. This decentralized aspect makes Bitcoin attractive for a variety of reasons, including security, privacy, and efficiency.

Like many cryptocurrencies, Bitcoin’s big promise includes lower transaction fees than traditional payment processes, more democratic access and proliferation, and freedom from central bank control and manipulation.

Outlook for Bitcoin

With over \$196 billion in market capitalization – and a staggering \$449 billion in trading volume over the last 30 days -- Bitcoin stands as the premier cryptocurrency. It has gained wild popularity and is by far the most dominant brand in the cryptocurrency space. With that kind of leadership position and market dominance, the outlook for Bitcoin is bright.

In addition, as of last count, there was a circulating supply of 16.8 million bitcoins. Eventually, the supply will reach a fixed supply of 21 million. After that, no more supply will enter the market. And so, like any asset with a fixed supply, demand in the marketplace will drive the price of the asset up. Plus, two ETFs based on Bitcoin – one to the long side and the other short on the short side – should come to market in 2018. And futures based on the currency are already trading on the CBOE and CME. All told, positive factors for Bitcoin.

#2 Ethereum

What is Ethereum?

For our second cryptocurrency, we target **Ethereum (ETH)**. Ethereum is large and well established, open-ended decentralized software platform that facilitates peer-to-peer contracts (“smart contracts”) and distributed applications (DApps). The “gas” that runs Ethereum – that makes these transactions possible – is called Ether. Ethereum was created by Vitalik Buterin in 2014 via an announcement at the North American Bitcoin Conference.

What Ethereum Does

Like Bitcoin, Ethereum uses blockchain, distributed ledgers, and cryptography. But while Bitcoin is designed to be a store of value, an alternative to regular money and a way to make financial transactions, Ethereum is a computer platform that uses Ether to make it run.

You can think of Ethereum as a build out of blockchain technology to its greatest, highest purpose. And that means applications in just about every aspect of business, technology, and day-to-day life. Potential revolutionizing applications include global supply chain management, financial management, medical record management, and voting.

Since the blockchain stands as a hack-resistant record of transactions, lower costs, and better efficiency, Ethereum is the platform that can makes the blockchain better. And if you’re using Ethereum, you have to purchase Ether to conduct your business.

Outlook for Ethereum

With a market cap of over \$104 billion, it stands a strong second to Bitcoin. And over the last 30 days, it has traded over \$135 billion in volume. That’s a big number and a testament to Ethereum’s popularity.

Ethereum’s brand is strong and always in the cryptocurrency discussion. Plus, it’s market dominance in the crypto-computational space bodes well for higher prices. And even though Ethereum’s Smart Contracts and computational network are still new, their wide range of potential applications make the outlook for Ethereum exciting.

#3 Ripple

What is Ripple?

Ripple (XRP) is a digital payment protocol. The original version of the cryptocurrency was created in 2004 and pre-dates Bitcoin. It didn't go anywhere until 2012 when E-Loan co-founder Chris Larsen and Jed McCaleb took the helm.

What Ripple Does

Ripple's decentralized peer-to-peer open source platform transacts seamless money transfer for banks and payment providers. It uses a gateway that acts as a trust negotiator between two parties wanting to make a transaction. Anybody – business or individual – can register, open a gateway, transfer payments, exchange currencies, and manage liquidity.

As a result, Ripple is crazy fast. And that's what makes it so special.

While traditional banking systems can take anywhere from three to five days to make a transaction, Ripple can settle those same payments in about 4 seconds. That same transaction would take over 2 minutes for Ethereum and over an hour for Bitcoin. Plus, it can handle 1,500 transactions per second.

That speed also means that banks can source liquidity in real time. That pretty much does away with the need to keep mounds of cash – called nostro accounts – around for their big currency transactions.

Outlook for Ripple

Boasting a market cap of \$53 billion, Ripple is one of the top three cryptocurrencies. And with volume nearly \$103 billion, it has solid liquidity.

But unlike its brethren Bitcoin and Ethereum – which trade in the thousands – a recent price for Ripple was just \$1.36. That low price makes it accessible to nearly every investor.

Ripple just licensed its blockchain technology to over 100 banks and now counts American Express among its clients. With its low price and tailwinds from Bitcoin, Ripple should be on an investor's short list of cryptocurrencies.

#4 Litecoin

What is Litecoin?

Litecoin (LTC) is fourth on our list and for good reason: It is considered to be the “silver to Bitcoin’s gold.” But if you keep reading carefully, Litecoin might become the “platinum to Bitcoin’s gold.” Launched in 2011 by MIT graduate and former Google engineer Charlie Lee, Litecoin improves on Bitcoin’s shortcomings.

What Litecoin Does

Like Bitcoin, Litecoin is a fully decentralized, peer-to-peer blockchain, open source global payment network. And like Bitcoin it isn’t controlled by any central banking mechanism or authority.

Transactions can technically occur instantaneously on both Litecoin and Bitcoin. But Litecoin has a faster block generation rate. That means it can clock a long-term average transaction confirmation rate of about 2.5 minutes. That’s nearly four times faster than Bitcoin’s 9 minute rate and makes Litecoin more attractive for merchants.

In addition, Litecoin utilizes a Scrypt-based algorithm. This can make Litecoin mining more accessible than Bitcoin’s SHA-256 algorithm.

Outlook for Litecoin

While the Bitcoin network has a capacity of 21 million coins, Litecoin is deigned to top out at 84 million coins, four times Bitcoin’s capacity. With the increased supply, the larger coin capacity keeps Litecoin’s price – at least for the time being -- more affordable. And that can be a big attraction for investors.

Plus, while both Bitcoin and Litecoin are practically divisible by nearly infinitesimal amounts (a “satoshi” is one hundred millionth of a Bitcoin) Litecoin’s relatively smaller unit size makes it a bit friendlier from a transaction aspect. After all, do you really want to figure out what one hundred millionth of anything is?

Finally, Litecoin’s faster speed and more accessible algorithm are a plus for both merchants and miners. And with greater application and accessibility mean larger market acceptance and use, two more pluses for higher prices.

#5 Cardano

What is Cardano?

Cardano (ADA) is a decentralized, fully open-source blockchain cryptocurrency and project. It was founded in 2015 by Charles Hoskinson, a co-founder of Ethereum. ADA wants to deliver a more balanced and sustainable ecosystem for cryptocurrencies.

What Cardano Does

Cardano strives to become a better and more advanced smart contract platform. Its Proof-of-Stake (POS) method called Ouroboros offers more robust features than Ethereum and other protocols. And that means deeper functionality, more efficiency, and lower cost.

Without getting into a ton of technical jargon, Ouroboros uses computer nodes on the blockchain in a leadership rather than an individual collection. That means that transactions can run faster and more efficiently on Cardano than on Bitcoin. It also means that Cardano's scalability – or the ability to grow and handle more and more transactions – could become a dominant selling point.

Another exciting feature of Cardano is that it is evolving a self-sustaining economic model for ADA. It aims to deliver a constitution of systems and protocols for its miners and other stakeholders. That should help it avoid disruptive events – called “hard forks” – in the development of the project.

Outlook for Cardano

Cardano boasts a market cap of \$16 billion. That puts it on the shortlist of the most popular cryptocurrencies. And with tailwinds from market leaders like Bitcoin, the lift to ADA could be substantial.

Plus, with a recent price below \$1, Cardano is attractive to average investors who are intimidated by sky-high prices of Bitcoin and Ethereum. Cardano's low price also sends a psychological signal of “ground floor” investing.

Cardano's plans to become a computational network that rivals Ethereum also hold promise, but at a much lower coin price. Gaming systems, credit systems, and a cryptocurrency wallet with fiat conversion capabilities also bode well for future growth.

#6 NEM

What is NEM?

NEM (XEM) is called the world's first "Smart Asset" blockchain. XEM is the native currency of the NEM blockchain and is used to pay for transactions on the blockchain. It was launched in 2015.

What NEM Does

Like Ethereum, NEM is a platform for businesses that is fueled by its coin, XEM. NEM's "Smart Asset" blockchain was built from the ground up for enterprise-grade performance. That means that from the start NEM is geared toward business.

NEM is powered by a straightforward interface that can make it easily deployable. In fact, its adaptable API (Application Programming Interface) distinguishes it from other cryptocurrencies and platforms.

But what really got our attention was the robust range of financial applications NEM handles. Financial services companies can deploy NEM for transfer and instant payments. And one of its advantages is it can seamlessly manage private and public blockchains. And that means a company could transfer documents, files, tokens, and currencies through the public blockchain and then back to a target company's private network.

Another interesting feature: NEM's Smart Asset system enables a business to define and launch its own cryptocurrency with no programming needed. As a result, you could make transaction with your new coin free – or set the transaction fee you want.

Finally, NEM blocks can complete in just 60 seconds. That makes it a solid choice for retail payments, where payment confirmations need a quick confirmation.

Outlook for NEM

NEM carries market cap of over \$10 billion. That makes is well into the top 10 cryptocurrencies out there and certainly worth a look. While NEMs Mijin software platform is still new, its ability to ensure 4K transactions per second will likely catch the eye of the market soon. Plus, the company plans to release an improvement – called Catapult – to Mijin this year. And that should add even more heft to the NEM project.

#7 NEO

What is NEO?

As we make our travel through our top 10 cryptocurrencies, it's not hard to see that platform-based, blockchain driven applications – to which coins add the power and gas – are beginning to take centerstage over the coins themselves. Ethereum and NEM are in that crowd. Now it's time to add **NEO (NEO)**, a smart digital platform powered by its cryptocurrency coin NEO. NEO was formerly known as Antshares and was founded in 2014 in China.

What NEO Does

Like Ethereum and NEM, NEO utilizes blockchain technology to manage assets using smart contracts. But NEO takes a jump forward at this point into uncharted – and very interesting – territory.

NEO's blockchain technology can digitize assets, automate the management of digital assets, and implement smart contracts across a distributed network. As a result, NEO aims to create more than the contracts themselves: It wants to move on from the traditional economy to the new era of a "smart economy."

In other words, NEO hopes to be Ethereum and NEO combined *on steroids*.

Digital Assets + Digital Identity + Smart Contract = Smart Economy

An exciting feature of the NEO's "Smart Economy" is called the NeoContract smart contract system. It can easily integrate with the existing developer ecosystem. That means that to jump on NEO's development bandwagon, you don't have to learn a new programming language. In fact, developers can use Java, C#, and other mainstream languages in smart contract development and debugging. That makes the NeoContract smart contract system quickly and easily implemented.

Outlook for NEO

With its almost limitless applications, NEO's smart economy model builds on the smart contracts and smart assets of Ethereum and NEM. But with its additional ease of use and friendly developer ecosystem, it could have a leg up on both competitors.

In addition, with a market cap of over \$9 billion, NEO has a place among popular cryptocurrencies. And as the market begins to see platform development – rather than just coin use – as a huge market opportunity going forward, NEO's brand should get a lift as well. Plus, with a share price just a fraction of Ethereum's, it can be a less expensive alternative.

#8 IOTA

What is IOTA?

With machines beginning to communicate and the Internet of Things (IoT) on just about everyone's buzzword list, it's no surprise that our seventh cryptocurrency is **IOTA (MIOTA)**. Founded in Germany in 2015, IOTA enables data transfer between sensor equipped machines.

What IOTA Does

IOTA is a platform that let's machines communicate, exchange data with one another, and make payments. In that respect, IOTA is like most blockchain, distributed ledger platforms and cryptocurrencies.

But IOTA takes it a step further. Instead of using encrypted blocks to record transactions between machines, IOTA uses a digital ledger called Tangle. Tangle uses a mathematical concept called Directed Acyclic Graphs (DAG). As a result, for a transaction to take, each node in Tangle must approve two prior transactions.

While that may taste like a technical mouthful, its implications are huge: By using Tangle and DAG, the IOTA platform removes "miners" as data validators. And that means big improvements in speed. Plus, it enables IOTA's network to grow and become more efficient as the number of users increase. With IOTA, no more scaling problems, network delays, or block congestion that can plague traditional blockchains like Bitcoin.

Outlook for IOTA

There's little doubt that the IoT -- machines communicating and interacting with one another -- is one of the biggest growth stories around. And it's likely to get even stronger: Consultancy Bain & Co. says that by 2020 the market could be \$450 billion. That's nearly half *a trillion dollars*. Since IOTA is an early participant in the space with a platform that could potentially take a leadership role, the outlook for IOTA is strong.

In addition, IOTA has already partnered with Cisco, Samsung, Microsoft, and Innogy. Those deals give the brand and its platform important visibility and credibility as it continues to develop. And that should prove to be another plus for IOTA. Plus, with a market cap of over \$8 billion, IOTA is already on many investors' radar.

#9 Stellar

What is Stellar?

Founded in 2014 by cryptocurrency legend Jeb McCaleb (he also founded Ripple and Mt. Gox), **Stellar (XLM)** is a cryptocurrency and platform that facilitates cross border payments. It uses Lumens to make itself go.

What Stellar Does

Like many other cryptocurrencies, Stellar Lumens runs on a network of decentralized servers powered by blockchain technology. And like other cryptocurrencies, it uses a distributed ledger to keep track of payments, transactions and data. But that's where the similarity starts to end.

Stellar can facilitate cross border payments in a much more efficient manner than methods in widespread practice today. Right now, banks make those payment by maintaining foreign accounts in a local native currency. They then debit the accounts as required. The process can be slow, cumbersome, and capital intensive.

With Stellar, you can upload funds to an "anchor," which can be a bank, financial institution or other trusted party. The anchor holds the money and issues credit against it for your virtual wallet using Lumens. The swap then updates the public ledger.

The process occurs in real time without having to wait for a bank transfer. Using stellar you can manage payments with nominal fees, send money without worrying about transfers and currency exchange, and settle payments in a fraction of the time it now takes.

Outlook for Stellar

While Ripple is the cryptocurrency for financial giants, you can look at Stellar as the one that works for the average person. Its use cases (read: applications) and versatility are impressive. In addition, Stellar has already inked deals with IBM, Deloitte, and KlickEx, to name a few.

Stellar is trading in the sub-five dollar range. So, like Ripple, Cardano, NEM, and IOTA, Stellar's price can be attractive to the average investor who might be intimidated by the prices of Bitcoin, Ethereum, and Litecoin. The cryptocurrency's low price also has "ground floor" advantage.

#10 Dash

What is Dash?

In January 2014, Evan Duffield launched **Dash (DASH)**. Previously called “Darkcoin” Dash “wants digital currencies to be so easy your Grandma could use them.” Like Bitcoin, Dash is a payment and transfer of value system.

What Dash Does

You can use Dash to make instant, private payments online or with merchants. The platform’s InstantSend feature can confirm payment in less than one second. That’s impressive. Plus, a user’s financial information is protected using PrivateSend, which ensures balances and activity history is kept private. Transactions are confirmed by 4,500 servers hosted globally.

To use Bitcoin, merchants need significant infrastructure investment and know-how to make it work. They need to host their own node or use a third-party for payments. Customers using Bitcoin also put up with high transaction fees and instruction on how to make a payment.

Dash, on the other hand, created an API that can get merchants online by a simple copy and paste of a snippet of code. That removes the headache merchants undergo when trying to use Bitcoin.

Dash’s “masternode” core network also sets it apart. The fully-incentivized, peer-to-peer system rewards miners for securing masternodes and the blockchain. As a result, those 4,700 masternodes make Dash transaction processing times faster. Plus, the masternodes makeup a new layer of network servers – called quorums -- that work in highly secure clusters, another plus.

Outlook for Dash

Dash has won agreements with four payment gateways. Plus, it’s developing Zimbabwe’s first cryptocurrency to head off inflation and it’s already in Venezuela. Dash has partnered with Arizona State University to help research its blockchain scaling efforts. These all support potentially higher prices.

Still, adding even more upside potential is Dash’s self-funding mechanism. When new coins are created, 45% go to masternodes, another 45% go to miners, and 10% go the network. That means that Dash contributes to its own growth and adoption rather than relying exclusively on donations or large academic institutions. Dash also has over \$6 billion in market cap, making it one of the top cryptocurrencies.