THE NO. 1 WAY TO PLAY NFTs

By Teeka Tiwari
Take a look at the picture below. It’s an artwork called “Everydays – The First 5000 Days” by an artist known as Beeple. It recently was up for sale at an auction. How much do you think it sold for? $50,000? $100,000?
Not even close. It sold for over $69 million.
Put that in perspective. It’s not a piece of art from ancient history. Its creator isn’t a household name.
Yet this piece fetched a higher price than artwork from famous artists like Andy Warhol or Pablo Picasso. And it made its creator a fortune.
You’re probably wondering what’s so special about it.
This artwork is what’s known as an “NFT.”
I’ll explain more about them in a bit. But it’s really just a fancy name for a “digital collectible.”
That’s right. Beeple’s piece doesn’t exist in the “real world.” It’s simply a digital image.
I know this sounds confusing. But there’s an enormous opportunity in this space... and we’ll show you the No. 1 way to take advantage.
First, let me explain what an NFT is...

A Primer on NFTs

NFT stands for non-fungible token. Put simply, it’s a unique digital asset that lives on a blockchain.

[At its core, blockchain is just a very secure way to store information... the safest way to store information that has ever been devised. It’s simply a decentralized, distributed online network.]
The internet is a great example of this type of network. No one owns the internet. And each computer logged into the internet is a “host.” Even if you shut down one host, it won’t shut down the entire system. The blockchain works the same way.]

NFTs can be art, music, a video, a meme, a domain name, a virtual item in a video game, a code set, an article, a tweet, a plot of land, etc.
Now, people constantly ask me: “What’s so great about an NFT? I can just download – or copy/paste – the same picture, song, video, etc. on my computer.”
Yes, you can do that. But what you’re downloading is not the same thing.
You see, NFTs are not like dollar bills. Dol-
lar bills are fungible, which means they can be swapped interchangeably. A dollar bill has the same value as every other dollar bill.

An NFT is unique. It’s non-fungible. Meaning, you can’t exchange one for another because none are identical.

Think about the Mona Lisa. Only one original painting exists. It’s valuable due to its scarcity.

Sure, you can find replicas. You could even search for an image of the Mona Lisa on Google and print one out for free. But a reproduction of the Mona Lisa, even if it looks identical, does not have the same value as the original.

The original painting is valuable for its provenance. In other words, it’s worth a lot more because you can trace it to its origin or source. A recreation of the original doesn’t have the same history or social context.

It’s the same story with an NFT. Just because you have an identical copy of an image created on the blockchain... doesn’t mean you have something of value.

The original NFT proves the image’s authenticity. And that’s what gives it value in the community. And since blockchain technology is immutable, you can’t forge an NFT.

Here’s why that’s a game changer.

With traditional digital collectibles, you can’t transfer them from one platform to another. So they only retain value where you obtained them. You’re at the mercy of the creators of the platform.

But NFTs shift ownership of digital intellectual property from the platform to the creator. It represents true ownership of a digital asset. A creator can retain ownership of his NFT and move it to another part of the blockchain.

That’s why NFTs are poised to disrupt global commerce... and why they’re rapidly growing in popularity...

**Exploding in Popularity**

NFTs are taking the internet and investment world by storm. Beeple’s piece isn’t the only one that sold for a fortune. Here are some other examples:

- “Hashmasks,” a digital artwork from 70-plus artists, sold for $16 million.
- A dystopian piece of art mocking Donald Trump, named “CROSSROADS,” went for $6.6 million.
- Twitter CEO Jack Dorsey’s first tweet grabbed $2.9 million.

And there’s a long list of other NFTs that have sold for millions.

NFTs are now involved in real-world use cases, like decentralized finance (DeFi), gaming, venture capital, virtual worlds, and so on.

The ecosystem includes various platforms, such as Axie Infinity, Decentraland, NBA Top Shot, Nifty Gateway, OpenSea, Rarible, etc.

Naturally, the huge returns made by NFT sales have ignited plenty of interest in the space.

Google search volume for “NFT” hit an all-time high in early March.

Per DappRadar, which tracks decentralized applications, NFTs reached $198 million in weekly trade volume in February, a 3,200% increase from the start of the year. In May, there were 1.9 million weekly transactions, up 1,723% since the start of the year. And in the first week of May, there were 655,000 weekly users of NFT platforms, up 6,284% from the start of 2021.

In total, there has been $1.5 billion of NFT trade volume among the top eight NFT platforms, in 2021.
NFTs first came about in 2017. They first took off in popularity back then.

But when the price of bitcoin collapsed in 2018, the NFT market went down with it.

So why the recent meteoric rise? There are several factors...

The coronavirus pandemic and the resulting lockdowns led to a record amount of time spent online. As a result, artists started losing out on opportunities to sell their work in person. So they turned to NFTs as an alternative way to make money from their art.

Combine that with the adoption of crypto and a boom in the collectibles market, and the value of NFTs has skyrocketed.

If You’re Not Drinking the NFT Kool-Aid…

I realize $69 million for a digital artwork might seem outlandish. And other price tags for NFTs in the millions may appear ridiculous.

If you think this all sounds silly, I get it. But if you believe it’s not investable, I’d urge you to reconsider.

Millions of people do not feel that way. And it’s not just crypto enthusiasts.

Celebrities and sports stars are in on the NFT action. Names like Mark Cuban, Michael Jordan, Patrick Mahomes, Serena Williams, and Will Smith are all joining the frenzy.

And it goes beyond individuals...

Well-known companies have entered the NFT market, like eBay, the New York Stock Exchange, Nike, Sotheby’s, and World Wrestling Entertainment.

Large institutions have also invested in the NFT space, including Andreessen Horowitz, Blockchain Capital, Coinbase Ventures, Galaxy Digital, and Union Square Ventures.

Although this marketplace is in the early innings, there’s potential for it to soar like bitcoin in the early 2010s.

And even if the market crashes, the underlying technology trends will persist.

NFTs have opened a new channel of monetization for creators. And demand for these digital objects has taken off.

However, I don’t think buying actual NFTs is the best way to profit from this trend.

That’s a risky game...

It takes a ton of time. It requires the know-how on trading in this market. And occasionally, they can be too expensive to justify the risk.

On top of all that, the NFT market is nascent and volatile right now.

Many people trading NFTs are just rolling the dice and gambling.

They’re making speculative bets. And they stand to lose a lot of money.

The best way to capitalize on the NFT boom is by making a smart speculation.

And I have a much easier and safer way to do it...

A “Backdoor” Blockchain Play

My No. 1 way to play the NFT trend is ether (ETH), which is the token that underlies the Ethereum blockchain.

Ethereum is different from bitcoin. It’s a decentralized public blockchain network that developers can deploy programs on in the same way developers can deploy apps on the Apple ecosystem.

Ethereum is the world’s most widely used blockchain development platform.

Just like Microsoft was the world’s most popular PC development platform in the 1990s...
Google’s Android and Apple’s iOS are the most popular mobile app development platforms today… Ethereum is – and will continue to be – the go-to platform for blockchain projects.

That’s why tech and finance giants like Amazon, Microsoft, IBM, and JPMorgan have secretly been taking positions in Ethereum. And billionaires like Mark Cuban are investing in it themselves.

At the time of this writing, Ethereum hosts over 2,500 applications – the most of any blockchain. And roughly 2,300 active developers are working on the Ethereum network. The closest competitor has just 400.

The abundance of developers and apps on Ethereum has created a network effect that attracts even more projects to Ethereum.

Any blockchain app built on the Ethereum network can plug into Ethereum’s liquidity… lending and borrowing… insurance… and much more. Ethereum acts as a vacuum cleaner sucking up more and more projects into its ecosystem.

And that’s one reason Ethereum is the premier blockchain for NFTs, even though you can create NFTs on any blockchain.

Plus, Ethereum has another key aspect making it the ideal platform for NFT creators: its smart contract capability.

Smart contracts are computer codes that automatically execute the terms of an agreement, eliminating the need for a third party.

When running on the blockchain, smart contracts become like self-operating computer programs. They automatically execute when specific conditions are met. That’s why Ethereum is sometimes called the World’s Supercomputer.

Since an NFT is essentially software code, a creator can use smart contracts to restrict the use of their NFT and prove ownership. And they can also set it up to provide automatic royalty payments from resales.

Because of these factors, NFT creators will continue to flock to Ethereum… and as they do, they’ll be a key growth engine for the network itself.

And as the NFT trend takes off, it will create incredible demand for Ethereum’s native token, ether, which is used for transactions on the network. That’s why I urge you to buy some today.

You don’t have to gamble on an NFT to profit off this trend. You only need a small amount of ether to take advantage as the popularity of NFTs continues to soar.

**IMPORTANT NOTE:** Immediately after our buy recommendations, we often see an initial price spike. We understand this can be frustrating. But don’t worry. This is par for the course in the cryptocurrency space. Most of the time, the recommendation falls back below our buy-up-to price. Use a limit order. Just be patient and let the price come to you.

**Action to Take:** Buy ether (ETH).

**Buy-up-to Price:** See the portfolio page [here](https://www.palmbeachgroup.com).

**Buy It On:** Coinbase, Coinbase Pro, Gemini, Binance, or Binance.US

**Store It On:** Jaxx Liberty, Ledger, MEW, or Trust Wallet

**Position Size:** $200–400 for smaller investors, $500–1,000 for larger investors

**Asset Class:** Cryptos (Altcoins)

**P.S.** NFTs aren’t the only collectibles delivering incredible returns.

A LeBron James rookie basketball card recently sold for $5.2 million…

A $5 (yes, $5) 1822 half-eagle gold coin was snatched by a collector for $8.4 million…

Whether it’s fine art, sports memorabilia, or vintage cars, the collectibles market is booming right now.

And it’s no longer the exclusive playground of the wealthy. We’ve found ways for everyday investors to tap into this market without spending a fortune.
Take a look at our report on how to buy shares of rare fine art right here. Or learn how you can purchase shares of classic cars – and other collectibles – here.