

How We'll Make 10 Times Our Money From the "Virtual Gifting" Boom

By Teeka Tiwari on February 15, 2018



Guo Kaiwen quit his job as a truck driver to tell dirty jokes... live from his bedroom.

Guo isn't your typical comedian. He performs his act from his home near Beijing... and live streams it to thousands of his fans.

He makes more money in two hours of live streaming than he did hauling cargo for a week.

Guo isn't the only one giving up his job to perform from home, either. Thousands of people across Asia are quitting their jobs to become live streamers.

Sales people, office managers, and others are waving goodbye to low-paying but secure jobs to take a shot at getting rich and famous.

Just like Guo, many are making more in two hours of work than they did in a week.

Some are making more in a month than they would have made in 10 years. Top live streamers are raking in \$200,000 per month. And all from the comfort of their homes.

It may sound like some cheesy internet “work from home” scheme. But it’s actually a \$5 billion trend sweeping across Asia... And it’s projected to reach \$20 billion by 2020.

Every night across the continent, millions of millennials tune into their favorite “live stream” shows.

Live streaming refers to simultaneously recording and broadcasting online content to viewers in real time. Fans call streamers like Guo “performers.”

And these performers are popular in the social media space.

The most popular YouTube performer had more than 60 million followers in 2017. Compare that to NCIS, the most popular TV show on U.S. television. It had an average of 14.6 million viewers in 2017.

In China alone, an estimated 344 million people use live streaming apps. Across all of Asia, projections are as high as 736 million.

Live streaming in China has gotten so popular that it’s created its own subculture called “fan economy.”

And this new economy is big business...

Performers like Guo are making big bucks from the fan economy’s currency of choice: A digital asset called “virtual gifts.”

As I’ll explain in a moment, I believe the project I’ve uncovered in this month’s issue will become the global standard for sending and receiving these “virtual gifts.”

It’s a utility token that’s been beaten up with the rest of the cryptocurrency market. People are selling this coin with no idea of

the huge spike in usage (and corresponding spike in value) it's about to see.

Today, we can scoop it up at about 34 cents per coin. By year-end, this one will be trading over \$4.

That would turn a \$400 investment into \$4,700. And a \$1,000 investment into \$11,750. Over the next few years, we think the coin could hit \$10. That's a 2,900% return.

This is exactly the type of asymmetric risk profile we look for in *Palm Beach Confidential*. Massive potential upside allows us to risk a trivial sum of money to make life-changing gains.

Before we get to the coin, let me tell you about the new fan economy trend that's spreading across the social media world.

Building a Fan Community

The fan economy is a relatively recent phenomenon. Brands like Chinese smartphone maker Xiaomi built some of the first communities in the early 2010s.

The company created and nurtured a community of online followers that purchased its products through lifestyle affinity.

Live streamers in China took the same model and adapted it to the social media space. They create online content (music, videos, talk shows, games, etc.) and build a fan base around it.

These fan communities are loyal and passionate. And they spend real money to buy virtual gifts from their favorite performers.

Virtual gifting will change the entire revenue model for content creators and turn the fan economy into a profitable industry for creators—and investors in this new technology.

Why Millennials Prefer Virtual Gifting

Today, content creators mainly get paid from ad revenue. And they only get a tiny slice of that.

Take YouTube for example. One of its top stars grossed more than \$7.4 million in ad revenue (before taxes) in 2015. But YouTube takes a 45% cut.

(Most content creators on YouTube don't have millions of viewers. Only about 0.3% of videos get 1 million or more views.)

So how do YouTube content creators get paid?

Depending on the video content and the type of ads displayed, they usually make between \$1.50 and \$4 per 1,000 views.

So, a viral video that garners 1 million views could gross up to \$4,000 for the content creator—before YouTube's take.

That's a great deal for YouTube... Lousy deal for the content creators.

The fan economy model doesn't rely on advertisements. And that means more revenue for content creators.

In the fan economy, fans buy virtual gifts online and send them to their favorite content creators. The gifts can be anything from

virtual lipstick, to virtual private planes, and even virtual beer.

The money paid to buy the virtual gifts is shared with the content creators.

We're already seeing this model at work on a live streaming app called Uplive. Launched in 2016, Uplive already has 20 million users. (For comparison, Facebook launched in 2004 and didn't reach 20 million users until April 2007.)

On Uplive, content creators offer virtual gifts for sale. Fans peruse the gifts and buy them with Uplive's internal currency called "diamonds."

The content creator can keep the diamonds, send them to someone else, or redeem them for cash.

Fans prefer sending virtual gifts to cash because it creates an emotional bond with content creators... who often extol the gift givers during their live streams.

The personal nature of virtual gift giving reinforces the content creators fan base. Fans send in gifts and get a personalized "shout out"... which prompts even more fans to send gifts so they can hear their names proclaimed to the community, too.

This is much more gratifying for fans than the ad-driven model used on YouTube, where there's less interaction between fans and content creators.

Millennials in the fan economy are more likely to treasure a bunch of virtual roses than an actual bouquet of real flowers. That's why more than 25 million virtual gifts are sent every month via Uplive.

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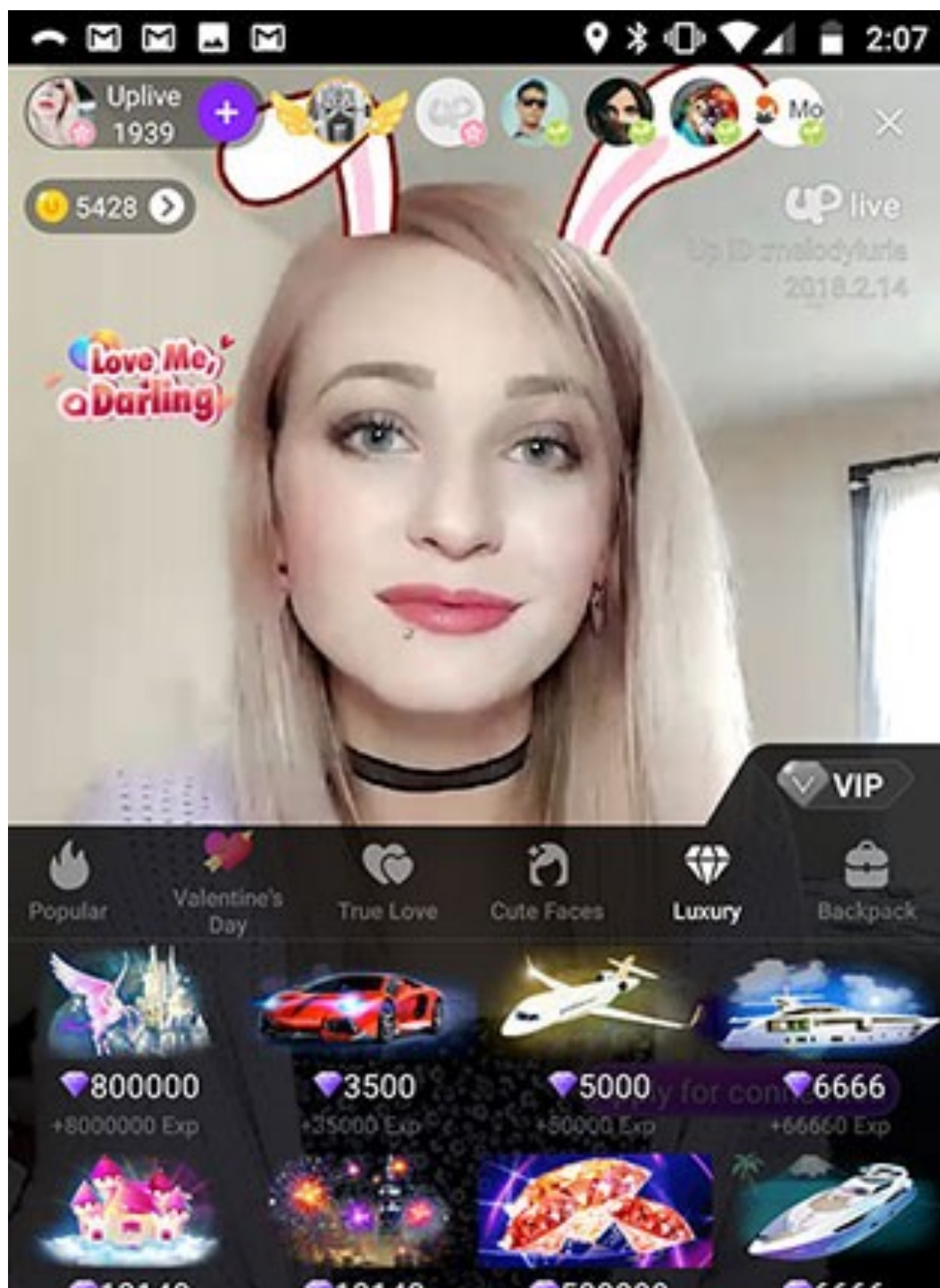
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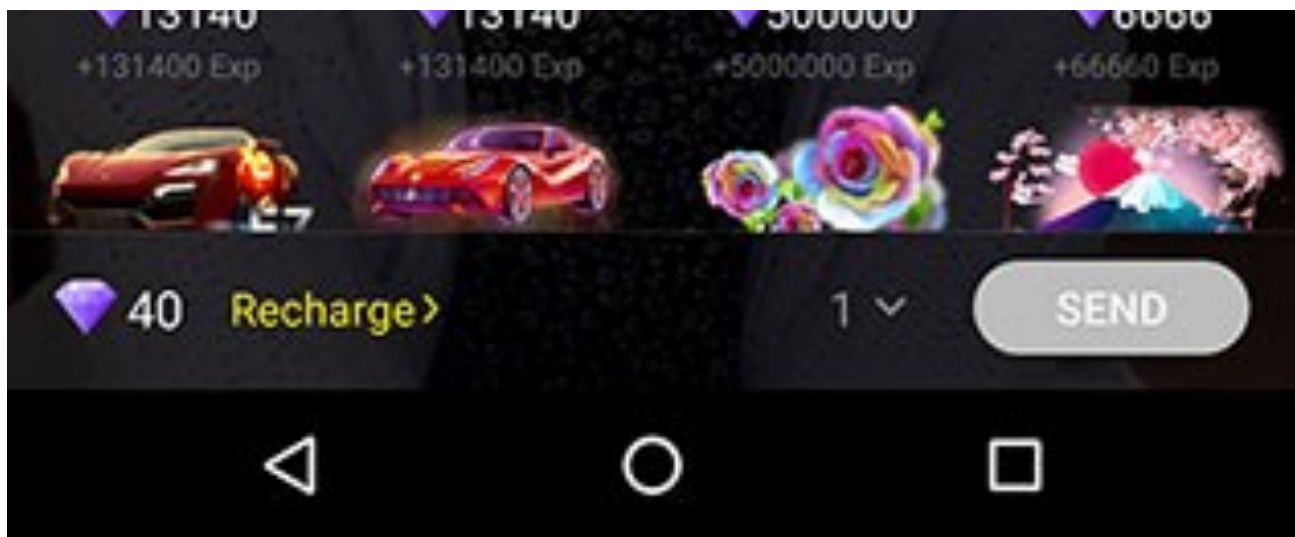
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And those gifts can be profitable, too. Some Uplive stars are using this model to make over \$50,000 per month.





An example of a content creator offering “virtual gifts” on Uplive

Now, I wouldn't blame you for writing off this market as some niche sector for the online-obsessed millennials. But before you dismiss this emerging market, think again.

A Growing Economy—With One Major Problem

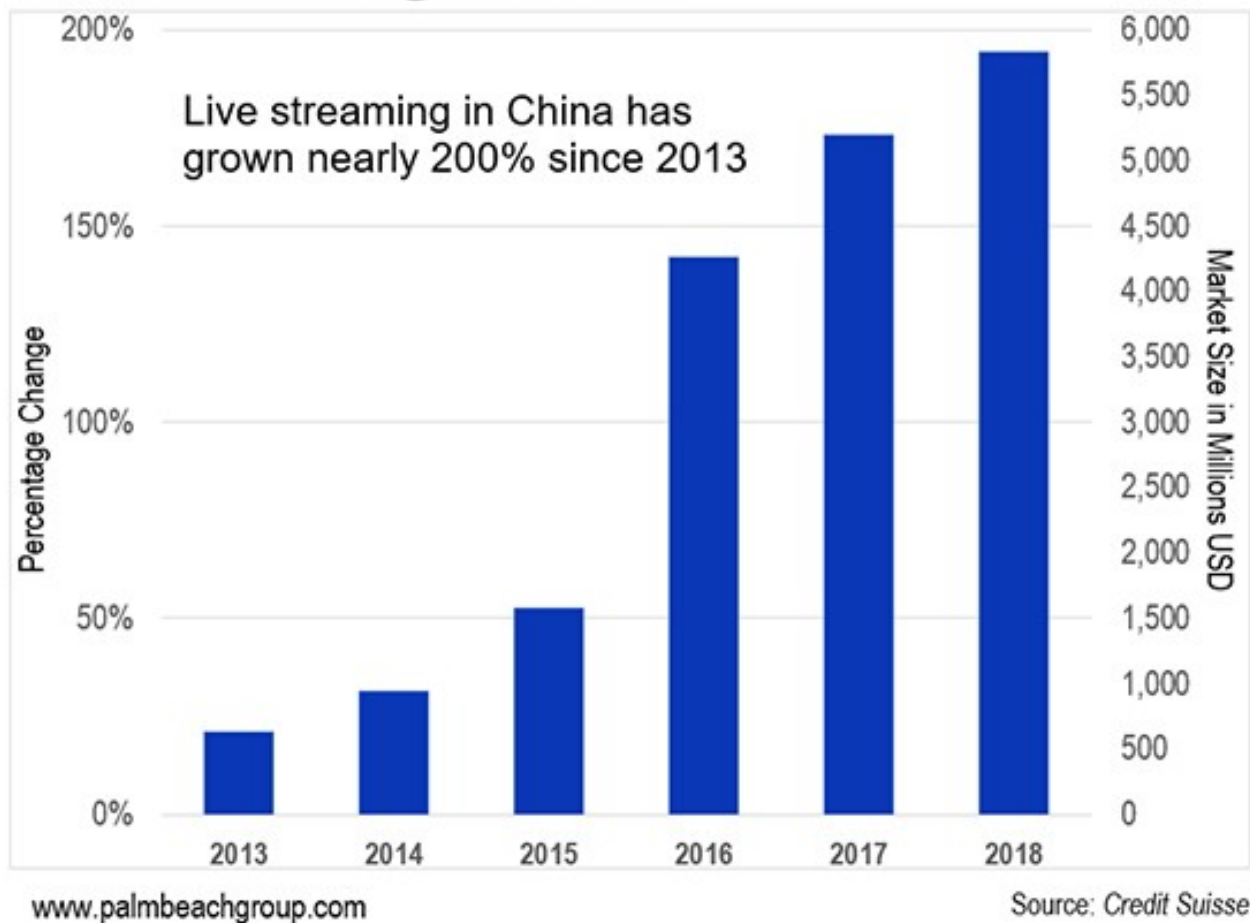
According to the financial research firm Credit Suisse, Chinese millennials have created a \$5 billion industry focused on live streaming in 2017.

Per the report:

We believe the total market size of entertainment livestreaming industry is around \$5 billion in 2017, not small compared with China's total movie box office size (\$7 billion) and at and [about] 50% of the size of China's mobile gaming market (\$10 billion).

And the firm expects the industry to continue growing this year (see chart below).

Live Streaming in China



And according to gameindustry.biz, the market for “in-game” digital items has grown from \$12 billion in 2012 to \$22 billion in 2017. That’s double the size of the entire U.S. domestic movie business for 2017.

We think this trend will continue to grow... But the industry faces some hurdles.

I’ve analyzed many live streaming projects, and they all have one major drawback: They operate on closed networks.

That means digital money and digital gifts created on one platform

are only useable on that platform.

So, fans using the Uplive platform can't send virtual gifts to content creators on YouTube, and vice versa.

There are other problems, too. Content creators only receive between 25%-40% of the revenue generated.

The live streaming platforms take such a big cut because they incur fees to process millions of small transactions across 50 or more currencies. On top of that, the networks are plagued by credit card fraud.

These problems mean it can take between 30 and 60 days before a content creator actually gets paid.

That's where the blockchain comes in...

This month, I've found a coin that's creating an entire blockchain-based ecosystem around virtual gifting.

Because it uses an immutable ledger, there can never be a chargeback. Using a blockchain makes the accounting easy and immediate. Content creators get paid as soon as someone buys.

These two features will drive down costs enough that content creators can now receive 80% of the revenue they generate.

But the biggest game-changer of all: The digital token I've found will *work across platforms*. Facebook, YouTube, Instagram, you name it.

It'd be like downloading a song from Apple's iTunes and being able to play it on a smartphone that uses Google's Android software.

And we have chance to get in before it explodes in value.

The New Gifting Protocol

The name of the token we're recommending this month is **GIFTO (GTO)**. That's short for "gifting protocol."

GIFTO is a platform that allows users to create, curate, buy, sell, and trade digital gifts across any platform.

And you can do all of this by copying and pasting a single link. No programming skills are required.

The GIFTO platform uses the Ethereum-based ERC721 standard to ensure each digital item is unique. That allows content creators to make one-of-a-kind gifts that fans can buy.

Gifts can be as simple as a virtual lipstick, handbags, or dresses. Or they can involve complex animations of virtual Lamborghinis, flying unicorns, or cascading rose petals. The permutations are endless.

A \$1 Million Virtual Valentine's Day Gift

On February 14—Valentine's Day—a group of 10 collectors paid \$1 million in cryptocurrency to buy a virtual piece of art called the "Forever Rose." It's the most expensive piece of crypto-artwork ever sold, according to CNN.

The artist produced and hosted the Forever Rose using the GIFTO protocol. Each collector's interest in the piece now resides in verifiable code created using the GIFTO protocol.

While you can't touch the artwork or hang it in your home,

collectors can choose to hold their “rose token,” sell it, or give it to someone for a special occasion.



The Forever Rose sold for \$1 million

To use the GIFTTO platform, you need the GTO token. But having a cool solution isn't enough to drive a coins price higher.

At *Palm Beach Confidential* we've done a great job of identifying crypto projects right before their usage explodes. That's been no accident.

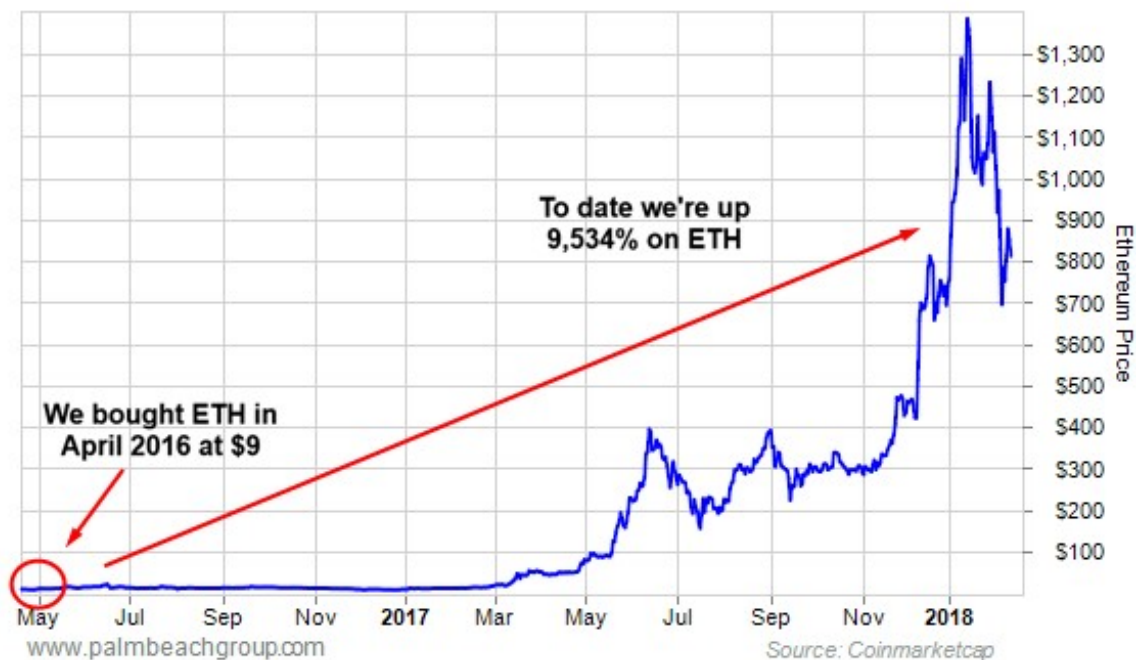
I travel the world speaking with founders, financiers, and software developers. I'm always on the hunt for coins that are on the cusp of explosive usage growth.

You see, I have learned the more a coin is used the higher its value will eventually go. By focusing on uncovering projects I think will experience explosive usage growth, I've been able to uncover some of the biggest winners in the crypto space:

- Ethereum (ETH): 9,534%

Ethereum Price Chart

— ETH Price



- Neo (NEO): 88,894%

NEO Price Chart

— NEO Price



- Steem (STEEM): 3,764%

STEEM Price Chart

— STEEM Price



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It's been a simple formula that has turned many of our subscribers into millionaires. We always ask the same questions about a project...

- Is it useful?
- Who will use it?
- Why will they use it?

Friends, always remember that usage drives the long-term value of a coin. It's the only metric that really matters. If you can answer the question of usage and get into the coin before usage explodes, you'll make a fortune.

All of that is important to know because usage of the GIFT token is about experience massive growth.

100 Million Potential Users of This Coin

Here's what got me so excited about this month's pick... It has the biggest installed user base of any coin I've seen come to market.

Asia Innovations Group (AIG) is behind the GIFTTO project. It owns a series of online gaming (not gambling) and live streaming platforms, including Uplive.

AIG already has as an installed user base of 100 million users... I've never seen a coin launch with such a large built-in audience.

Of those 100 million, 20 million use the "closed" diamond token on Uplive.

As I mentioned above, Uplive users send over 25 million gifts per month. That's about 833,000 transactions per day.

To put that in perspective, Ethereum—one of the most popular blockchain platforms in the world—runs about 1 million transactions per day. And it has a \$100 billion market cap.

Here's why that matters... Uplive is in the process of switching all its users from the internal diamond currency to the GIFTTO token.

That means GTO usage is on track to hit 25 million transactions per month. But we don't have to pay for a \$100 billion market cap. Right now, we can get into GIFTTO at a market cap barely over \$50 million.

Currently, GIFTTO is testing a closed version of the system with its Uplive users.

And they're just weeks away from introducing the "open" version on Uplive. Eventually, AIG expects to roll the coin out to all 100 million users.

GIFTO is also testing the token on YouTube, Facebook, and Instagram. That will give GIFTO access to the 4.3 billion users of those platforms, too.

Smart Insiders and the Power of “Gamification”

Andy Tian leads the GIFTO project. Andy is the guy responsible for rolling out Google’s Android software in China. On top of that, he built a hugely popular gaming company in China that was bought out by Zynga.

Zynga is the \$700 million-per-year gaming studio that was behind Facebook’s megahit *Farmville*. Andy ran Zynga’s China operations for three years.

What’s great about Andy is he knows how to drive usage and adoption of digital items. He’s a rock star at it.

In June 2013, he left Zynga and to start AIG. In four short years, Andy has grown AIG into a \$100 million-plus business with over 100 million users and 300 employees across the globe. He’s been so successful so quickly because of his unique understanding of a marketing technique called “gamification.”

Businesses like Facebook, Zynga, and AIG have been built on this concept.

In short, gamification is the process of adding games or gamelike features to something (such as a task or program) to encourage participation. In other words, it’s a way to get users to do what you

want them to do.

The “like” button on Facebook is a small but powerful example of gamification.

Facebook has harnessed our desire to be liked and validated with the “like” button. More likes begets more posts, which beget more likes. The “like” button creates deeper engagement by users. More users and increased engagement means more ad revenue for Facebook.

Andy intends to use gamification to drive rapid adoption of the GIFTO token. Given his track record at Zynga, and now AIG ,we believe he has the skills, team and knowhow to create the world’s most highly used Gifting protocol platform. We believe 2018 will be the year usage of the GIFTO token explodes.

If that weren’t enough, Andy has chosen to work with Changpeng Zhao, the CEO of Binance, through an incubation partnership.

Here is why that is important...

Zhao is a genius at gamification. He used gamification marketing techniques to take his Binance exchange from zero to 6 million users in just six months.

Binance is now the world’s largest crypto asset exchange. And according to a recent Forbes article, it’s driven Zhao’s net worth to over \$2 billion.

We believe Binance will throw its marketing muscle and gamification know how behind GIFTO. As a sponsor of the project, it makes sense.

On February 12, Binance launched a gamification event designed to boost trading and awareness of GFTO. The event runs until February 18. So far, we've seen the volume jump over 2,000% and the price by 48% since the event's launch.

Plus, I can imagine Zhao sees this as an opportunity to get in front of hundreds of millions of potential new millennial Binance customers. Incubating GFTO is a savvy move on his part.

The other aspect of the Binance partnership I like is that GFTO has to hit a series of milestones to access the \$30 million it raised in from its initial coin offering (ICO). This is strong motivation for the team to get cracking on delivering real progress rather than sitting on a horde of "free money" (something other projects have been guilty of).

What About Competition?

Other competitors have been trying to crack the nut of rewarding content creators with tipping. The problem is that each of these solutions is trying to get consumers to change their fundamental habits, such as the browser they use, or they are trying to tie you into a specific ecosystem.

GFTO is unique—and this is why it will be successful—because it's "platform agnostic." That means it will work anywhere and requires no change in established behaviors.

Also, the fan economy considers tipping to be tacky. Gift giving is much more meaningful. It creates a true emotional connection with the content creator you're trying to support.

But What if GIFT0 Isn't Widely Adopted?

GIFT0 is designed to work anywhere for anyone. Andy Tian showed great vision when he made GIFT0 an open protocol. But what if no one else uses GIFT0?

What then?

Our worst-case is the only ecosystem that adopts GIFT0 is AIG and its 100 million users. Under that scenario, GIFT0 would still be the world's most successful blockchain based consumer app.

If we assume similar usage patterns that AIG is seeing now with its internal currency, we can expect the average user to own 50 GIFT0 tokens.

That suggests potential demand just from AIG at 5 billion tokens. That's more than the total GTO tokens in existence. That latent demand is more than enough to make GTO a massive winner for us.

Right now AIG is already seeing \$10 million per month in usage of its internal diamond currency. All of this activity will move over to GTO this year.

That means there is enough potential demand just from AIG's own internal 100-million strong audience to make GTO the most widely owned and used token in the world.

What It's Worth

There are 1 billion GIFT0 tokens but only 150 million are in the tradable float.

The average balance held by an Uplive user is \$14 worth of diamonds. 20 million users multiplied by \$14 equals \$280 million (the value currently held by Uplive users.)

The entire market cap of GIFT0 is just \$53 million. Just on a switch from Uplive's diamond currency to GTO tokens could boost the price of GTO to \$2. That will take the market cap to about \$300 million. That just about matches the current value of all diamonds we estimate to be in circulation.

That's a 5x gain.

Later this year, as GIFT0 gains adoption among AIG's other 80 million users, we think \$4 per token is a chip shot. That's almost 12x higher from today's price of 34 cents.

If they really hit it out of the park, and GIFT0 becomes the global standard of digital gifting on Facebook, YouTube, and Instagram, the token is easily worth well north of \$10 in the years ahead.

Bringing It All Together

It's estimated that about 10 million people own or trade some form of crypto assets. If all GIFT0 does is bring its own users into the crypto space through the GTO token, it will be responsible for 10x-ing the size of the crypto market.

Just on its existing 100 million members, GIFT0 could become the largest consumer-facing blockchain application in the world.

If the GTO token catches on outside of its platform, there are 4.3 billion potential users worldwide. It's no exaggeration to say that if it's successful, GIFT0 could become the blockchain's first consumer killer app.

Recommendation: Buy GIFT0 (GTO)

Buy-up-to Price: \$0.80

Stop Loss: None

Buy It On: Binance

Store It On: MyEtherWallet

As always, place no more than \$200–400 for smaller accounts and \$500–1,000 for larger accounts into this trade.

Important note: Immediately after our buy recommendations, we often see an initial price spike. We understand that 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. And just be patient and let the price come to you.

Crypto Corner

We've recently renovated the entire *Palm Beach Confidential* Crypto Corner. If you have questions about anything cryptocurrencies, chances are you'll find the answers there.

There, you can access our research and step-by-step videos on web-based wallets, hardware wallets, and other cryptocurrency services.

Be sure to check out our wallets and exchanges list to see which exchanges you can buy all our recommended coins on

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and which wallets we recommend holding them in.

The Simple Secret to Big Biotech Returns

By Chris Wood

[Teeka's note: My new analyst, Chris Wood, is continuing to research small-cap blockchain companies for potential picks. But he's not limiting his search there. Chris also is an expert at finding, small biotech companies. Below, he reveals his secret to finding them.]



Investing in small biotech stocks can be very exciting.

The companies that successfully develop a new drug see enormous growth and profits... which can lead to massive gains for shareholders. Even drugs that eventually fail but show promise in early-stage clinical trials can make investors big money during the drug development process.

Consider XOMA (XOMA)... Dynavax Technologies (DVAX)... and Sangamo Therapeutics (SGMO). Each of these biotech companies is developing drugs. And positive news sent their share prices rocketing 521%, 423%, and 316%, respectively, over the past year.

And because these stocks are news driven, you can do well going long even in a down market.

So, there's no question that the biotech industry is exciting. And it can provide you with mammoth returns in a short time frame if you know what you're doing.

Even if you know what you're doing, though, you *will* have losers.

The secret to being a successful biotech investor is to tip the odds in your favor and position yourself so your winners outnumber your losers.

One of the best ways to set yourself up to find big winners and avoid big losers in biotech is with my 3 C's of Biotech Investing tool.

The First C: Catalysts

The first C is all about finding near-term value-driving catalysts in biotech stocks.

You see, a stock needs a reason to go up.

If a stock has no reason to go up for the next two, three, or four quarters, then why buy it now when you can buy it later for the same price?

That's where catalysts come in. They're essentially reasons for the stock to move higher.

Think of a catalyst as an event that is bound to move the share price. When it comes to small biotechs, there are a number of catalysts along the drug development road.

After a company files an Investigational New Drug (IND) application with the FDA and gets the go-ahead for human testing, the new drug passes through three major stages, and then a final evaluation, before it can go to market. The four major turning points in the process—during which the safety and efficacy of the drug are tested—are usually Phase 1, 2, and 3 trials and FDA approval or denial.

Each step can act as a boom or bust catalyst. Success or failure at

the various stages can (and often does) translate into big gains or big losses for investors.

Often, a biotech stock's share price stabilizes in the "dormant" periods between the various clinical trial results or FDA news. But when a major catalyst approaches, investors often run the share price up in the hopes of good news. Then—depending on how the trial results are received by the market, or if FDA approval is granted or denied—the share price either jumps even higher or tanks.

The trick is to find a biotech stock that is currently off investors' radar and between catalysts.

That brings us to the second C...

The Second C: Cash

Once you find a company with a near-term value-driving catalyst, *only invest in it if it has enough cash on hand to take it past this catalyst.*

Cash is the lifeblood of all businesses. They need it to pay their employees, to buy materials to make their products, to invest in new plants and equipment for growth, to fund research and clinical trials, to pay interest on debt, and to pay dividends.

In other words, cash is everything for a business.

With no approved drugs, most small-cap biotechs are essentially pre-revenue companies. So they typically generate most of their cash by selling stock because it costs a lot for these companies to borrow money and they don't want to load up their balance sheet with debt.

If a small biotech company is going to run out of cash before reaching its next value-driving catalyst, then it will inevitably have to sell stock before that event. And that sale will take place at a low valuation. This dilutes existing shareholders and tends to send the stock lower... possibly to the point where an eventual big jump in the stock price can't turn your investment into a winner.

Think about it like this: If you own one share of stock in a company that has 10 shares outstanding, you own 10% of the company's equity. But if the company issues 10 more shares and sells them to other investors, you'll only own 5% of the equity. Think of the company's equity as a pie. When management cuts that pie into more pieces to issue more stock, your piece is smaller. And if it cuts those pieces before the catalyst occurs and the stock's value has increased, then it has to cut more of them to get the same amount of cash. So you're diluted more at a low valuation.

So if a company has a big catalyst that I think will work out a year from now but only has six months of cash left, then I wait for the inevitable stock sale. Then I buy in when the company has enough money to take it through its next value-driving event catalyst.

The Third C: Captivating

After you find a stock that has a value-driving catalyst and enough cash to last through that event, you want to make sure the company can captivate investors.

The more captivated investors are by a company and its new drug, the more they will respond to the company's value-driving catalysts. In short, the more captivating a biotech stock is, the higher its stock is likely to go.

That happens when you have a small company that's solving a big problem... like developing a cure for diabetes or hepatitis C.

A new generic drug that treats a common disease could make for a decent investment over time if the company is well run and captures more market share than expected. But it's not going to captivate investors because it's entering a crowded market.

What will captivate investors is a \$200 million-market cap company that could solve the opioid epidemic and capture a big chunk of a \$30 billion market in no time at all.

Putting It All Together

I can't guarantee that if you follow my 3 C's of Biotech Investing, every trade you make will be a winner. Investing in small biotech stocks is not for the faint of heart. It requires massive amounts of research, due diligence, patience, market awareness, timing, and luck.

I've seen many seasoned investors (and quite a few experienced analysts on Wall Street) fall for a company's technology and management team and fail to see the proper time to get into or out of the stock.

But if you follow the 3 C's of Biotech Investing, you'll be ahead of the vast majority of investors.

Where to Be Invested Now

This "Crypto Winter" Is Temporary

By Teeka Tiwari and Greg Wilson

It's been quite a month in cryptocurrencies.

When we sent you last month's issue, bitcoin traded above \$11,000. Since then, it reached as low as \$6,000. As I write, it's back around \$9,750.

Some are calling it the "crypto winter." I won't be as dramatic.

This is the ninth time in two years we've dealt with major volatility in cryptos. And if I hadn't gone through the volatility of the tech space in the late 1980s and '90s, we never would have made it this far.

The lessons I learned from those decades guide me now as I help you navigate what will almost certainly be the greatest wealth-building opportunity of your lifetime. I remember every so often during that time, we'd get walloped so hard by the market we thought the party was over and sold.

One of the biggest mistakes of my professional life was selling my tech winners far too early. I won't make that mistake again. At the same time, we don't want to be so consumed with our point of view that we fail to take profits.

All parties come to an end, but the crypto one is just experiencing a short interlude. This reminds me of what tech stocks went through between 1989-1990. I wrote an article about that time here.

Back then, tech stocks had been booming since the mid '80s. Stocks like Microsoft, Intel, and Oracle saw peak moves up of 1,032%, 167% and 997% since 1986.

Making money in tech was easy. And then '89-'90 came along and kicked everyone in the rear. Suddenly, tech was taboo. You were a cowboy if you recommended tech. The narrative was very negative.

In 1990, you were an irresponsible weirdo if you told your clients that within 10 years, everyone would have a computer on their desks.

That was considered nuts. Why would people want personal computers? Most folks just couldn't understand the business case behind PCs. Yet it was PCs and then the internet that birthed a technological revolution... and minted more "easy" millionaires than I had ever seen... until crypto.

The blockchain is as transformational as the PC and the internet. I know it doesn't feel like it, but we are still very early on in this trend. The total market cap of the space is less than \$500 billion. When the Nasdaq started its run in 1989, it had a market cap of \$800 billion!

We have further to run, but it won't be in a straight line. We will continue to see volatility. You need to make peace with that. What happens today, tomorrow, or a month from now is unimportant. Fix your mind's eye firmly on the big picture. Unhook yourself from the daily gyrations and stay focused on the larger scale trend, which is solidly up.

For two years, I've told you our job is to accumulate a portfolio of great crypto projects, use uniform position sizing, and ignore volatility. Continue to follow that advice.

If coins are in buying range and you don't own them, you should buy them. As the market recovers, many of these coins will soar in

value.

Valuations in the crypto space will move into the trillions of dollars before this is all over. And yes, we will start converting some our gains back into fiat but not yet. It's early still.

Bitcoin (**BTC**)

Bitcoin hit an intermediate-term bottom during the SEC and CFTC hearing. If you're new to cryptocurrencies, the volatility can be unnerving. But keep in mind it's normal as the industry goes. This was the 13th decline of 30% or more in the last five years.

Now is a great time to buy bitcoin. It's trading close to its 200-day moving average, which has historically been a good buy point.

Action to Take: Buy bitcoin (BTC) up to \$25,000.

Ether (**ETH**)

You may have seen headlines about changes with MyEtherWallet. First, know that MyEtherWallet remains up and running with no issues.

One of the original co-founders, Taylor Monahan, split from MyEtherWallet to create MyCrypto. The other co-founder, Kosala Hemachandra, remains with MyEtherWallet.

Both leaders have different visions for the future of the product, hence the split.

We still recommend using MyEtherWallet.

Action to Take: Hold Ether (ETH).

Steem Power (**STEEM**)

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The Steemit platform now has over 700,000 accounts and ranks 1,091 globally per Alexa. When we first recommended Steem, it had just 100,000 accounts.

Upcoming for Steem is hard fork 20, expected in the first quarter of 2018. This is not a contentious hard fork, so you don't have to worry about a coin split.

The fork will turn Steem from a blogging platform with a cryptocurrency to a program that can tokenize the internet.

Action to Take: Buy SteemPower (STEEM) up to \$3.50.

Neo (NEO)

I (Greg Wilson) attended the NEO DevCon (developer's conference) on January 30-31 and came away more excited about NEO than before.

Founder Da Hongfei spoke about several developments that will make NEO the No. 1 blockchain by 2020.

On the development front City of Zion—the open-source NEO developer community—now has over 1,000 developers. And a new Chinese-speaking developer community called New Ecolab has formed. It will operate in a manner similar to City of Zion.

Hongfei also announced NEO Global Capital, a Singapore-based venture capital fund investing and fostering NEO projects. Further, the NEO Council will fund the Open Blockchain Foundation with \$10 to \$15 million. The money will go to research grants for blockchain-related research.

The NEO ecosystem continues to rapidly expand. There's now been

six ICOs launched on NEO with over 20 in the pipeline. And there's now over 30 dApps running on the platform.

Two upcoming projects I came away most excited about are Ontology and the Neon Exchange. Ontology is a platform that will provide businesses the infrastructure to connect to and utilize the NEO blockchain. And the Neon Exchange is a decentralized exchange that promises to be as fast as a centralized exchange. It will also feature a payment service that will facilitate trades in NEO dApps.

The future is bright for NEO, continue to hold.

Action to Take: Hold Neo (NEO).

Storj (STORJ)

Storj finished the year with over 30 petabytes stored on the network (1 petabyte = 1,024 terabytes or 1 million gigabytes). For reference, it stored just one petabyte at the time of our initial recommendation.

The plan for Storj is to go from petabytes to exabytes (1 exabyte = 1,024 petabytes). To that end, it's developing new architecture to enhance scalability, security, and resilience. The new architecture will improve how nodes store data, how nodes communicate with one another, and how applications interact with the network.

(Note: Storj.io migrated from Counterparty to Ethereum in May 2017. Consequently, the token symbol was changed from SJCX to STORJ. If you still hold SJCX, contact support@storj.io to convert your tokens.)

Action to Take: Buy Storj (STORJ) up to \$1.

Ethereum Classic (ETC)

In a recent interview, Charles Hoskinson called 2018 the year Ethereum Classic diverges from Ethereum. For 2017, the team cleaned up after the fork, set a new monetary policy, and released a new Scala client.

Expect new developments in 2018. One is Sputnik VM, a virtual machine developed specifically for Ethereum Classic. (A virtual machine is like the road the code runs on.) They're also working on the Emerald Wallet and software developer kit. Also on slate is implementing a treasury model. Per Charles, they've been studying Dash's funding model. This is significant, as a robust treasury model enables funding for things like new projects, protocol developments, and marketing.

Action to Take: Buy Ethereum Classic (ETC) up to \$25.

Ripple (XRP)

There have been a few new developments with Ripple since our last update. Two of Korea's largest banks, Woori Bank and Shinhan Bank, joined the Japan Bank Consortium to facilitate cross-border payments between Japan and Korea over RippleNet.

Ripple also announced partnerships with two global remittance providers, IDT Corporation and MercuryFX. Customers will now be able to settle remittances quickly and safely using xRapid.

Finally, SBI Holdings announced the release of its digital asset exchange, SBI Virtual Currencies. XRP will be the only digital asset supported at launch.

Action to Take: Hold Ripple (XRP).

Dash (**DASH**)

Dash continues to form new partnerships. The first is GoCoin, an online payments processor used by major companies like Lionsgate, CheapAir, and RE/MAX. Users can now make payments in Dash.

The second partnership is with Strike Social, the world's largest YouTube optimization firm with clients such as Coca Cola and Netflix. Dash will help alleviate the headaches from international payments.

Finally, Dash partnered with Piiko, a cellphone minute recharge service. By using Dash consumers can avoid the typical 3-5% fees from using a credit card.

Action to Take: Buy Dash (DASH) up to \$800.

ZenCash (**ZEN**)

ZenCash recently announced a research and development partnership with IOHK, the company led by Charles Hoskinson. Hoskinson is also the person behind Cardano and Ethereum Classic, as well as an adviser to ZenCash.

IOHK and ZenCash will be working on two major research projects. The first is building the treasury voting system into the ZenCash protocol. And the second is researching methods for scaling the ZenCash platform.

ZenCash is a strong play for 2018.

Action to Take: Buy ZenCash (ZEN) up to \$40.

Cindicator (**CND**)

Cindicator recently released its roadmap for 2018. For the quarter, Cindicator is looking to add 13 new hires to its current team of 31 full-time employees and 23 advisers and consultants.

The team is also readying the release of the next version of the arbitrage bot, Cryptometer 2.0. The Cindicator bot is adding a new question category based on specific event dates and is making improvements to its app to give forecasters more tools to track their progress and history.

Finally, Cindicator has begun its 2018 global marketing strategy. Already, it has increased the number of analysts from 38,000 to 72,000 in January. It aims to have over 100,000 analysts by the end of the first quarter.

Action to Take: Buy Cindicator (CND) up to \$0.30.

Short-Term Cryptocurrency Portfolio

Iconomi (ICN)

Iconomi finished the year with a book value (the value of all its assets) of \$327 million, up 173% from the third quarter. The number of users reached 43,992, a 55% increase over the previous quarter. Plus, per Iconomi, over 10,000 users joined in January.

The company continued its repayment program, using 196.3 ETH to purchase and burn 52,627 ICN tokens. That brings total supply down to around 99 million. Whenever Iconomi burns tokens, it eliminates them from the supply, making your ICN tokens more valuable.

Action to Take: Buy Iconomi (ICN) up to \$2.

Wings (WINGS)

The next iteration of the Wings platform is now in beta testing. For forecasters, you'll now be able to forecast on multiple projects without having to split up your Wings. Further, it will automate forecasting rewards, establish a forecast-rating system, and approve the Wings wallet.

For projects, there will now be end-to-end project management. You'll be able to propose a project, have it evaluated, create an ICO, fund the ICO, and have your new token listed all within the Wings ecosystem.

Action to Take: Buy Wings (WINGS) up to \$1.

Lisk (LSK)

2017 was a great preparation year for Lisk. It released Lisk Core (the client for developers to build on the Lisk platform), two versions of Lisk JS (the JavaScript library for Lisk), and the Lisk Nano wallet. Further, the team went from three to over 30 members and Lisk has over 150,000 followers across social media.

Lisk will kick off 2018 with a rebranding in February. Lisk will launch a brand-new website and marketing strategy. Throughout the year, Lisk will add a new fee and address system to Lisk Core. We'll see the first Lisk blockchain applications come out before the year is over.

Action to Take: Hold Lisk (LSK).

Waves (WAVES)

Waves released a desktop app at the end of January. It's available for Windows, MacOS, and Linux.

There's also been several partnership announcements. One is with AIFC, the Astana International Financial Centre. Based in Kazakhstan, the partnership is a significant step towards the normalization and adoption of blockchain technology at the state level.

Waves also announced that RewardMob, an eSports-based reward platform, will be using the Waves platform. RewardMob chose the platform for its user friendliness and speed.

To fight fraudulent activity, Waves partnered with Group-IB, a cybersecurity firm. Waves and Group-IB will be working together to fight phishing scams.

Finally, Waves announced a partnership with Tokenomy, a global token exchange and crowdfunding platform. Tokenomy is a one-stop shop where you can go from proposing a project to doing an ICO and getting your token listed. Tokenomy will use the Waves platform to create secure tokens.

Action to Take: Hold Waves (WAVES).

Bitshares (BTS)

Bitshares announced a formal partnership with Lykke and will be listed on the Lykke exchange. It also opens the door for other Bitshares-based assets to get listed on Lykke.

In other news, developer Marko Paasli's proposal for DEXBot was approved. DEXBot is user-friendly market-making software. Once activated, it will help improve the liquidity of the Bitshares exchange.

Action to Take: Buy Bitshares (BTS) up to \$0.40.

Basic Attention Token (**BAT**)

In mid-January, Basic Attention Token announced a \$1 million BAT giveaway. The promotion grants users \$5 worth of BAT for downloading the latest Brave desktop version. The giveaway was so popular, it was all claimed within a week, so they doubled the promotion.

To date, Brave has 8,000 verified publishers , 2,000 verified websites, and over 6,000 YouTube channels.

Action to Take: Buy Basic Attention Token (BAT) up to \$0.35.

Syscoin (**SYS**)

Syscoin recently released the latest update of Blockmarket Desktop. With the new version you can now easily swap and store 32 cryptocurrencies.

In other news, Blockchain Foundry, the company behind Syscoin, announced it raised \$3.3 million in a private placement. The funds will be used to hire more people and accelerate the development of Syscoin.

And finally, Blockchain Foundry is working with marketing agency Ballistic Arts on a major rebranding of all Blockchain Foundry products, including Syscoin, and the website. The work will take place over the first quarter and be unveiled in Q2.

Action to Take: Buy Syscoin (SYS) up to \$0.30.

Zcoin (**XZC**)

Zcoin finished the year by releasing Zcoin v0.13.4.1, which will help Zcoin scale.

It will reduce computation time, prevent blockchain bloat, and incentivize Zerocoin transactions by providing a portion of the block reward.

Having an incentivized node structure will allow for higher performance nodes, which will form a strong backbone for Zcoin and Zerocoin network.

Action to Take: Hold Zcoin (XZC).

EOS.io (**EOS**)

Exciting developments for EOS... In mid-January Block.One announced a partnership with TomorrowVentures (Eric Schmidt's venture firm) to form TomorrowBC, a fund to exclusively invest in opportunities leveraging EOS.io software. It will be seeded with \$50 million.

Then, in late January, Mike Novogratz's Galaxy Digital, a digital asset venture fund, announced a \$325 million EOS.io fund. The fund will make strategic investments in projects that utilize the EOS.io ecosystem.

Not wasting any time, Galaxy Digital's EOS.io Ecosystem Fund announced a \$30 million investment in Everipedia, the world's first blockchain encyclopedia project.

Action to Take: Hold EOS.io (EOS).

Binance (**BNB**)

In January, Binance completed its second-quarter burn. As we told you in the initial buy alert, Binance uses 20% of its quarterly profit to buy back its tokens. It then "burns," or destroys, those tokens.

That means they go out of circulation, and the value of the remaining tokens goes up.

In its first quarter of operations, Binance burned 986,000 BNB tokens. In its second quarter (October through December 2017) it burned 1,821,586 BNB tokens. Its goal is to burn 100 million BNB tokens.

Action to Take: Hold Binance (BNB).

SALT Lending (**SALT**)

SALT Lending finished January with over 60,000 members and more than \$21 million in loans funded.

The SALT token is a great value now. Keep in mind that SALT tokens can be used to repay loans at their retail rate of \$27.50. They currently trade around \$4.64. This anomaly won't last in the market for long.

Action to Take: Buy SALT Lending (SALT) up to \$20.

Stellar Lumens (**XLM**)

In the last quarter of 2017, Stellar added ICO-launching capabilities to its platform. Compared to Ethereum, tokens on Stellar are easier to create and don't require hiring an expensive smart contract developer.

The first ICO, called Mobius, raised \$39 million and sold out in two hours. And its second ICO, SureRemit, sold out as well, reaching its hard cap of \$7 million.

Stellar also released its roadmap for 2018. It has two major projects. The first is SDEX, the Stellar Decentralized Exchange. SDEX

will enable day-one trading of any ICOs on Stellar. The second project is implementing Lightning Network on Stellar. Per Stellar, it will improve long-term scalability and security of the platform.

Action to Take: Hold Stellar Lumens (XLM).

Aion (**AION**)

Aion releases its beta test net in early February. This will allow beta testers to participate and provide feedback.

Once the beta-testing phase is complete in early March, the testnet will be available for public download.

Action to Take: Buy Aion (AION) up to \$10.

Qtum (**QTUM**)

We recommended Qtum in early January because we expected to see more projects build on Qtum. And that's exactly what's been happening.

Three new projects announced they'd build on Qtum in January: Luna, a blockchain-powered dating company; IDHub, a blockchain-based identity platform; and Banca, a decentralized and intelligent community investment bank.

Qtum also signed a memorandum of understanding (MOU) with the 360 Blockchain Research Center and the BTN Foundation to form a blockchain technology laboratory. The first of its kind in China, its goal is to collaborate to develop distributed ledger technologies.

Finally, Qtum entered into a strategic collaboration with Baofeng Bokocloud. Baofeng is like the Netflix of China, with over 200

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million users. Qtum and Baofeng are building the world's first blockchain consensus network.

Action to Take: Buy Qtum (QTUM) up to \$65.

Power Ledger (**POWR**)

This past month, Power Ledger signed an MOU with power company BCPG. BCPG is one of the largest private power producers in Thailand and has 182 megawatts of installed solar power capacity.

In their first project together, they will establish a microgrid development in Bangkok. It will cover six to 10 multistory apartments.

Power Ledger also signed an MOU with the Industrial Estate Authority of Thailand. It's part of a larger project to create a Smart Park in Rayong. Power Ledger will facilitate the peer-to-peer energy trading.

Action to Take: Buy Power Ledger (POWR) up to \$0.85.

Stocks

Spark Therapeutics (**ONCE**)

In December 2017, the FDA approved Spark's gene therapy Luxturna. In late January, Spark signed a licensing and supply agreement with Novartis for Luxturna outside of the United States.

Novartis will market and sell Luxturna outside of the U.S., while Spark retains commercial rights in the U.S. As part of the deal, Spark will receive \$105 million up front from Novartis, \$65 million in future milestone payments, and royalty payments after the drug

meets initial sales goals.

It's a win-win for both firms. Novartis can leverage its ophthalmology capabilities and infrastructure outside of the U.S. And Spark won't have to develop infrastructure outside the U.S. and can use the upfront cash to fund research of its pipeline.

Action to Take: Hold Spark Therapeutics (ONCE).

STOCKS							
Name	Symbol	Buy Date	Curr Price	Return	Yield	Stop Loss	Action
Sandstorm Gold Ltd	SAND	07/22/2016	\$5.10	-1.4%	0.0%	52.3% Trailing	Buy up to \$8
Orezone Gold	ORE-V	10/21/2016	\$0.83	10.7%	0.0%	50% Trailing	Buy up to C\$0.75
SPARK THERAPEUTICS	ONCE	12/22/2016	\$54.11	14.3%	0.0%	50% Trailing	Hold
Invitae Rg	NVTA	01/19/2017	\$6.16	-22.5%	0.0%	50% Trailing	Buy up to \$12
CRYPTOCURRENCIES							
Name	Symbol	Buy Date	Curr Price	Return	Yield	Stop Loss	Action
Bitcoin	BTC/USD	04/18/2016	\$9478.54	2114.6%	0.0%	None	Buy up to \$25,000
Ether	ETH/USD	04/18/2016	\$923.72	10163.5%	0.0%	None	Hold
Monero	XMR/USD	09/15/2016	\$276.82	3172.1%	0.0%	None	Hold
Peerplays	PPY/USD	11/23/2016	\$6.55	406.0%	0.0%	None	Hold
Lykke	LKK/USD	11/23/2016	\$0.15	221.5%	0.0%	None	Hold
Factom	FCT/USD	03/16/2017	\$31.26	644.2%	0.0%	None	Buy up to \$50
Storj	STORJ/USD	04/20/2017	\$1.06	216.6%	0.0%	None	Buy up to \$1.00
Ethereum Classic	ETC/USD	05/18/2017	\$35.06	214.4%	0.0%	None	Buy up to \$25
Dash	DASH/USD	05/25/2017	\$680.42	412.8%	0.0%	None	Buy up to \$800
Ripple	XRP/USD	05/25/2017	\$1.15	326.9%	0.0%	None	Hold
OmiseGo	OMG/USD	08/07/2017	\$15.58	431.7%	0.0%	None	Buy up to \$20
Gas	GAS/USD	08/14/2017	\$43.04	90.1%	0.0%	None	Buy up to \$45
ZenCash	ZEN/USD	10/19/2017	\$40.98	78.7%	0.0%	None	Buy up to \$40
SteemPower	SteemPower	11/23/2016	\$4.75	4148.7%	0.0%	None	Buy up to \$3.50
Neo	NEO	02/16/2017	\$121.97	97087.3%	0.0%	None	Hold
Cindicator	CND	12/18/2017	\$0.18	392.2%	0.0%	None	Buy up to \$0.30
SHORT-TERM CRYPTOCURRENCY TRADING							

Name	Symbol	Buy Date	Curr Price	Return	Yield	Stop Loss	Action
Iconomi	ICN/USD	05/22/2017	\$1.73	84.7%	0.0%	None	Buy up to \$2
NEM	XEM/USD	05/25/2017	\$0.56	135.1%	0.0%	None	Hold
Wings	WINGS/USD	06/02/2017	\$0.72	59.5%	0.0%	None	Buy up to \$1
Lisk	LSK/USD	06/02/2017	\$28.50	2092.3%	0.0%	None	Hold
Basic Attention Token	BAT/USD	06/07/2017	\$0.40	48.1%	0.0%	None	Buy up to \$0.35
Bitshares	BTS/USD	06/21/2017	\$0.27	-14.1%	0.0%	None	Buy up to \$0.40
Syscoin	SYS/USD	06/21/2017	\$0.63	210.5%	0.0%	None	Buy up to \$0.30
Zcoin	XZC/USD	06/21/2017	\$58.14	262.9%	0.0%	None	Hold
Waves	WAVES/USD	06/26/2017	\$6.43	60.7%	0.0%	None	Hold
MaidSafeCoin	MAID/USD	06/28/2017	\$0.48	2.2%	0.0%	None	Buy up to \$0.50
Golem Network	GNT/USD	06/28/2017	\$0.42	-23.8%	0.0%	None	Buy up to \$0.60
Aragon	ANT/USD	06/28/2017	\$4.74	80.4%	0.0%	None	Buy up to \$8
Bitcoin Cash	BCH/USD	11/13/2017	\$1364.71	10.6%	0.0%	None	Buy up to \$1,400
Eos.io	EOS/USD	11/14/2017	\$10.00	594.5%	0.0%	None	Hold
Binance	BNB/USD	11/29/2017	\$10.61	464.3%	0.0%	None	Hold
Salt	SALT/USD	12/06/2017	\$4.34	-27.2%	0.0%	None	Buy up to \$20
Stellar	XLM/USD	12/20/2017	\$0.45	91.4%	0.0%	None	Hold
Aion	AION/USD	01/02/2018	\$2.95	-51.8%	0.0%	None	Buy up to \$10
Qtum	QTUM/USD	01/08/2018	\$32.71	-41.9%	0.0%	None	Buy up to \$65
Dragonchain	DRGN/USD	01/08/2018	\$1.98	-52.6%	0.0%	None	Buy up to \$5
Cardano	ADA/USD	01/12/2018	\$0.39	-49.6%	0.0%	None	Buy up to \$0.90
Power Ledger	POWR/USD	01/17/2018	\$0.79	3.6%	0.0%	None	Buy up to \$0.85
Worldwide Asset Exchange	WAX	01/08/2018	\$0.58	-49.8%	0.0%	None	Buy up to \$1.40

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