

More than Bitcoin, how is the NFT driving the world crazy?

Along with the Bitcoin fever, recently, NFT has become a new commodity receiving great attention from investors.

NFT (Non-Fungible Token) is a type of digital asset that uses blockchain technology (blockchain) - similar to Bitcoin - to create a unique chain of code that represents a certain and irreplaceable item. These sequences are often used to identify the digital version of works of art, song or internet phenomenon.

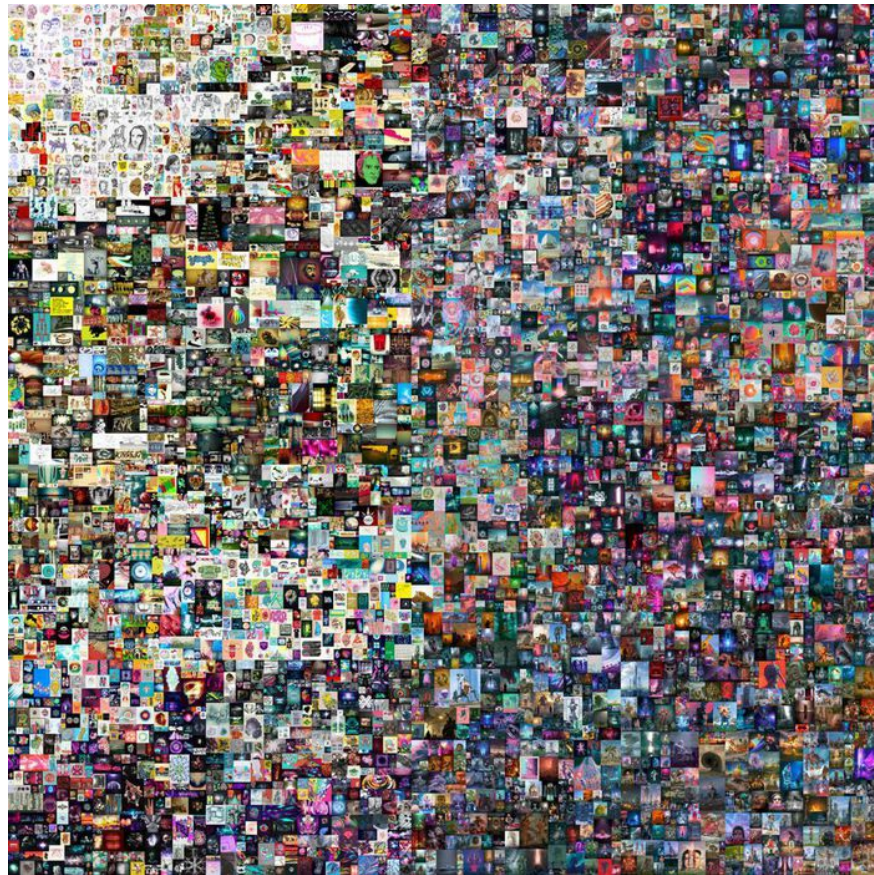
NFT is purchased through online auctions and paid for in USD or virtual currency. NFT has suddenly become a fever recently after many digital art works are sold for millions of dollars and celebrities and business leaders race to join the market.

WHAT IS NFT?

An NFT can represent anything from music, art, basketball cards or even Twitter posts.

Earlier this month, rock group Kings of Leon released their latest album in the form of NFT codes. Or Mike Winkelmann, a graphic designer, has put on the Nifty Gateway e-commerce floor many digital artwork in NFT format and earned tens of millions of dollars. Last week, he sold a digital work at Christie's auction house for \$ 69.3 million.

Not long ago, musician Claire Boucher, also known as Grimes and the girlfriend of billionaire Elon Musk, also sold a piece of art NFT for \$ 6 million.



However, not all NFTs are collectibles. NFTs can be in-game items, event tickets, and domain names. For example, some of Kings of Leon's NFTs are tickets to the group's music event in the future.

NFT's usability is not in items, such as pictures, songs or tweets, but in its exclusive ownership, which is endorsed by the NFT chain of codes. As a result, the item becomes unique. Only NFT buyers own the rights to the original item, although there are countless copies floating around for free on the Internet.

Owning an NFT is like owning the original Mona Lisa, said Dan Kelly, chairman of the platform Nonfungible.com. Although there are many copies of this work in the world, only one person owns the original, he said.

Every NFT token generated from blockchain technology is unique. The NFT has metadata that identifies when they were created, who created it, and many other descriptive information. Therefore, although there are thousands of NFTs attached to items that look similar, the information inside is completely different.

Talking about the reason why NFT is becoming a fever, Mr. Kelly said that investors buy NFT attached to a certain product with the aim of becoming sole owner, or expect the price of the product to rise to sell for a profit.

How much does the NFT cost?

NFTs range in price from a few dollars to tens of millions of dollars, especially for high-end digital art. Recently, the NFT of a network phenomenon called Nyan Cat with a cat with the body of a Pop-Tart was purchased for nearly \$ 600,000. Or NFT's music album Kings of Leon is sold for \$ 50.



The NFT of Mike Winkelmann's Everdays: The First 5000 days was recently sold through Christie's for over \$ 69 million.

BA Top Shot - a joint venture between the US National Basketball Federation (NBA) and blockchain company Dapper Labs - has created a platform where sports fans can buy, sell and collect representative NFTs. for licensed videos of basketball matches or related items. The platform rakes in nearly \$ 150 million in just one week. One person paid up to \$ 175,000 for NFTs of basketball cards and is currently worth \$ 20 million.

CryptoPunks, a project that has provided 10,000 NFT drawings that kicked off this trend since 2017, has just seen its revenue skyrocket to \$ 45 million a week. Previously, CryptoPunks NFT pictures were provided free of charge.

Billionaire Mark Cuban, famous for his US investment program Shark Tank, also participates in this market. He made a huge fortune by selling digital content for the Dallas Mavericks basketball team that he owned. Even the infamous YouTuber Logan Paul joined the trend by selling short NFTs cut from his YouTube channel. Such an NFT was paid in excess of 20,000 USD.

NFT exchanges are mainly e-commerce exchanges, which allow buyers to auction, buy and resell them. However, even on popular exchanges, many people can be fooled. Mr. Kelly argues that the best way to avoid being scammed is to only buy NFT from verified sellers. He emphasized that buyers should treat NFT trading like trading on a stock exchange.

"Without experience, don't invest more than you are willing to lose and stick to 'blue chips'," Kelly said.

IS NFT REALLY VALUE?

According to Coindesk, NFT's value-making properties include: indestructible (because the data is stored on the blockchain) and verifiable (because blockchain allows traceability of the product. no need to go through a third party). Besides, unlike virtual currencies, NFT is unique and cannot be copied. As a result, NFT investors can derive value from this uniqueness, similar to buying and selling collectibles.

However, many people believe that no one can guarantee the value of the tokens will exist after a few decades because technology is changing every day. Another problem is that if the owner forgets the wallet password, how can the owner regain ownership of the NFT because, like virtual currency, the NFT is not managed or operated by any entities.

"The risks are enormous," said Nadya Ivanova, NFT observer at L'Atelier - an independent subsidiary of BNP Paribas Bank - said. "It is important to understand that the NFT is a very new market and we will have to go through a few cycles to determine the true value of something."

Many analysts also argue that buying any digital currency, including the NFT chain of tokens, is potentially risky. Because their value is largely based on speculation and buyers can only hope their NFT will one day be bought back at a higher price. But no one guarantees this.

You finished reading the article "**More than Bitcoin, how is the NFT driving the world crazy?**" edited by the [TipsMake](#) team. We hope this article has provided you with many useful tech tips and tricks. You can search for similar articles on tips and guides. Thank you for reading and for following us regularly.