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THE NEXT BIG ADVENTURE – CRYPTO 2021

Saswat Sahu and Julia Charlton together talk with two experts in the crypto space – Sandy Peng, a Partner at Fission Capital and Jack Liu, a Creator at RelayX.

What is the future looking like for the crypto ecosystem in 2021 and beyond?

Sandy Peng:

Going forward, part of my attention this year, in 2021, is going to be focusing on building a Layer 2 solution that helps smooth the transition to solve the gas fee problem on the Ethereum network, which is a major pain point. Anyone who has tried the DeFi ecosystem before knows that gas fee has reached a point that makes it impossible for smaller investors to participate as it has become prohibitively high. There are some brilliant Layer 2 solution providers out there and I think the project I am helping with is going to be one of them – “Stroll”, which uses a ZK Rollup solution to hopefully move a lot of the participants onto Layer 2 and before Ethereum 2.1 is deployed. I think during this timeframe, this is the most important and exciting thing happening in Ethereum.

Jack Liu:

RelayX is a browser, wallet, decentralised sharing platform built on top of Bitcoin, considered by the mainstream crypto community as a branch of Bitcoin. The original foundation of Bitcoin was much more than just a digital gold or an investment vehicle for institutions or for individuals, but a fundamental rebuilding and redo of the entire internet - a new internet. The internet is missing this functionality, which in turn is causing a

lot of societal problems, from fake news to deplatforming (in some cases for the investment choices that they make). One of the reasons why we have seen a proliferation of all these different blockchains is because no chain, up to now, can scale. Fundamentally, scalability is going to be a big breakthrough. In fact, it was a breakthrough that was invented in 2008. People have not really given it much thought. All of these different variations of use cases, as Sandy mentioned, from DeFi to NFTs to everything else. There is going to be so much more. One thing that you can notice in the history of crypto is that the cycles never repeat. Every new cycle is a new theme. In 2017, it was ICO's and in 2021 it is DeFi. I do not think in 2025 it will still be DeFi. However, a common trend is that the individual is getting more empowerment, more choice, more freedom - that will continue. DeFi is a classic example of people / traders coming in to provide liquidity so that people can have access to lending and borrowing in a way that traditional CeFi was not offering them. You can think of that emerging for every other internet vehicle, such as eBay. eBay can be rebuilt on Bitcoin - a decentralised e-commerce type platform. You will see that for content, for social media etc.

How would you sum up the next 12 months in a single sentence?

Jack Liu:

Looking forward for the next 12 months, I think utility more so than speculation is the name of the game. For this cryptocurrency bubble to sustain, we have to see utility emerge.

Sandy Peng:

One thing that I think is fairly certain is that this year we will see more and more institutional adoption from the rest of the world ex US. In the last year or so, we have seen replicas of the existing financial infrastructure on the blockchain, but in the next 12 months I think we will see completely unseen models that have not existed in traditional finance and people may not even know how to evaluate them or even how to look at them.

How do you think private and public cryptocurrencies and exchanges will shape out in 2021 and beyond?

Jack Liu:

From the time I have got into bitcoin, I have never been a believer in private blockchains. I think that is more of a test net for companies to experiment with, thinking that there is a role there, but eventually it all comes over to public blockchains. One

of the attractions to private blockchains is this idea that public blockchains are anonymous or they cannot scale, so therefore you need to have some control and have a private blockchain. I think both those things are false. Public blockchains are not traceable. Bitcoin is traceable and it is very welcoming to enterprise adoption. I do not think we will see that this year, but I do think a lot of companies are going to experiment, but eventually those private experiments are going to come onto the public blockchain.

Sandy Peng:

Private blockchains are against all the things that crypto should be. Kind of defeats a lot of the purposes of having a blockchain network at all. It makes sense as an intermediary solution for a lot of institutions who are just dipping their toe into this area. I think that the private blockchain sector will continue for a long time, but ultimately, hopefully these institutions will see that using a public blockchain is still the best way forward.

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