

CRYPTOCURRENCY: 21st Century Unicorn or Money of the Future?



Fast and Global- Instant proliferation of transactions in a global network of computers and confirmation is done in a couple of minutes.

Secure- Cryptocurrency are locked in a public key cryptocurrency system which can only be sent by the owner of the private key.

Most famous Cryptocurrency

The first and most famous cryptocurrency is Bitcoin. The whole cryptocurrency industry uses bitcoin as a digital standard and is used as a global means of payment.

Bitcoin is made up of a network of peers who have a record of the complete history of all transactions and thus of the balance of every account. One of the most important components is the confirmation of a transaction.

A transaction can be forged as long as it is unconfirmed, but once confirmation is done by miners, it is set in stone.

Bitcoin's price has increased from zero to more than \$19,000 in 10 years of existence and registers high transaction volumes daily.

Ethereum, Ripple and Litecoin are among other cryptocurrencies used.



Cryptocurrencies are built on cryptography which involves solving codes mathematically rather than people or trust. It is more probable than an asteroid falls on your house than a cryptographer compromises on a bitcoin address!

What is it?

Cryptocurrency is an internet-based medium of exchange which uses cryptographical functions to conduct financial transactions. Private and public keys are used to send cryptocurrencies between two parties directly. These transfers minimize processing fees, allowing users to avoid the fees charged by traditional financial institutions.

Birth of Cryptocurrency

Cryptocurrencies actually made its appearance as a side product of another invention. The inventor of Bitcoin, Satoshi Nakamoto, said he developed a "peer to peer" electronic cash system. He succeeded in creating a decentralized cash system leading to the invention of cryptocurrency.

Features of Cryptocurrency

A cryptocurrency is not controlled by any central authority and is thus hypothetically immune to government interference

Irreversible- Nobody can reverse a transaction after confirmation

Transactions and accounts are not connected to real-world entities. Transaction is effected on a certain address made up of random chains of around 30 characters.

Tel: (230) 206 8017 **Email:** Treasury@abcbanking.mu **RD Code:** ABCO **Bloomberg Code:** ABBS

The comments and data displayed in this research document are for information only and reflect the personal opinions of our dealers and other market participants. Readers are encouraged to perform their own assessment before undertaking dealing decisions. ABC Banking Corporation Ltd, its staff and agents shall not be responsible or liable to any claim or loss resulting from the use of the above information in relation to decision making.

ABC BANKING CORPORATION LTD

WEAL HOUSE, Duke of Edinburgh Avenue, Place d'Armes, 11328, Port Louis, Mauritius

Tel: (230) 206 8000 **Fax:** (230) 208 0088 **Web:** www.abcbanking.mu **BRN:** C07018920

