

SUPERCRYPTO #2


*The Eyes and Ears of
the World Computer*



SUPERCRYPTO No. 2:

The Eyes and Ears of the World Computer

Super-Crypto no. 2 is like the Bloomberg of crypto. It feeds smart-contracts running on Ethereum real-time data from world financial markets. And it has been massively outperforming Bitcoin.

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|---|---|
| Name: | Chainlink |
| Trading symbol: | LINK |
| Logo: |  |
| Website: | chain.link |
| Inventor: | Sergey Nazarov and Steve Ellis |
| Market Cap Rank: | #7 behind Bitcoin |
| Circulating supply: | 394,509,556 |
| Exchanges you can buy Ethereum on: | Coinbase Binance |
| Suggested digital wallets to store your coins in: | Exodus Ledger |

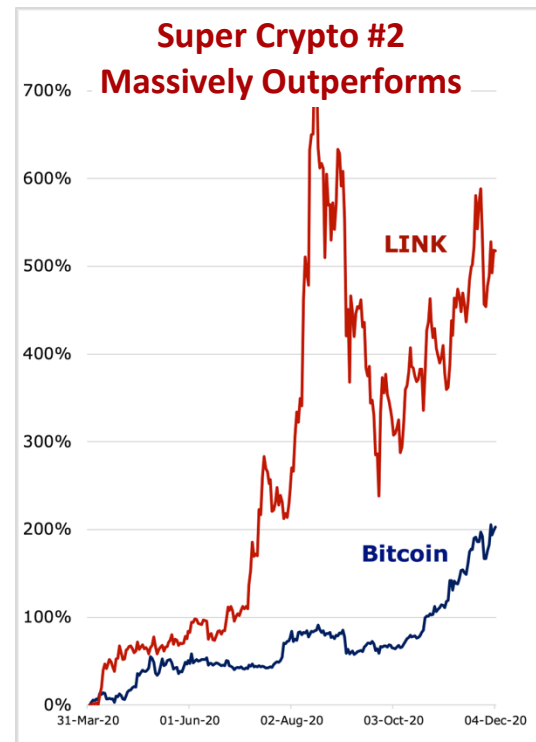


Figure 1. Daily percentage change in Bitcoin and LINK from end of first quarter 2020. Click to enlarge. Source: coingecko.com

There are 3 key reasons Chainlink is likely to continue out-performing Bitcoin for years to come.

Reason No. 1:

Smart-Contracts Are the *Fastest-Growing* Segment in Crypto — and Chainlink Feeds Them the Data They Need to Work

Smart-contracts are at the heart of almost everything cryptocurrencies do, beyond making simple payment transactions. So, it's hardly an exaggeration to say they pretty much *are* the future of crypto.

Starting with Ethereum, virtually all 2nd- and 3rd-generation cryptocurrencies use smart-contracts in some way, or have some connection with them.

Smart-contracts, you recall, are pieces of computer code that:

- Store funds on the blockchain, and then pay them out when certain conditions are met.
- Generate ICO tokens, and issue security tokens. (Examples include Chainlink, BAT and MKR.)
- Operate Decentralized Finance (DeFi) platforms such as Compound, Maker and Aave. DeFi is basically an entirely new financial system running on the blockchain (with no banker or broker standing in the middle of every transaction).

Right now, DeFi is red-hot. That makes it a good example of the explosive growth of smart-contracts — that do just about everything a traditional banker would do, including:

- matching up potential lenders with borrowers; buyers with sellers,
- executing complex financial contracts,
- interest is properly charged and paid,
- appropriate fees are collected, etc.

However, smart-contracts are creatures of the blockchain — with no inherent connection to the outside world. So, they have no way of knowing what market interest or exchange rates are, what various assets used as collateral are worth or even what day it is.

All this critical data has to come from external sources. And that's where Chainlink comes in. In a nutshell, it's the Bloomberg Terminal of crypto, the world's no. 1 data-supplier to smart-contracts.

For example,

- Already, Ethereum, Tezos, Fantom, Solana, Polkadot, Icon, HPB and Zilliqa run smart-contracts that use or will use Chainlink to feed them real world data.
- Chainlink supplies secure and reliable price feeds to DeFi platforms like Compound, Synthetix, Aave and 20 others.
- [Google](#) uses Chainlink to connect information contained its monster database (BigQuery) to the blockchain world. Network behemoth [Oracle](#) is building custom smart-contract enabled blockchains for its customers. And if any of them need real-world data Chainlink will provide it.

For a complete list of Chainlink customers and partnerships, click [here](#).

Bottom line: Chainlink provides the data smart-contracts need to run. And with the number of smart-contracts growing exponentially, demand for Chainlink is set to explode.

Reason No. 2:

LINK Is the Currency Smart-Contracts Use To Pay for Data — Because Data Is Valuable, So Is LINK

Suppose, for example, a smart-contract requires the current market price of ETH to complete a transaction. Suppose one data source for this information is crypto exchange giant [Binance.com](https://www.binance.com).

The smart-contract would then pay in LINK tokens for the desired information. Thus, LINK is the currency for buying data.

Of course, this is a somewhat oversimplified example. In the real world, there would almost never be just one data source. Instead, there would be multiple sources — say, *Binance and Coinbase* — for redundancy, and to protect against error.

Moreover, to be able to do business with Chainlink, data sources must first stake a hefty deposit in LINK. And if caught misbehaving (for example, reporting fake prices), this deposit is forfeit. This provides a measure of security, and incentivizes data sources to follow the rules.

Reason No. 3:

Chainlink Occupies a Sweet Spot in the 21st-Century Information Explosion

The vast majority of the 7,857 cryptocurrencies listed by [CoinMarketCap.com](https://www.coinmarketcap.com) trade on nothing more than hopes and dreams. Only a few have real-world use cases.

And of these, even fewer boast adoption as strong as Chainlink, supplier of real-world data to blockchains, DeFi and enterprise platforms like those built by Google and Oracle.

Smart-contracts are the vanguard the cryptocurrency revolution today. Decentralized Finance (DeFi) is the hottest sector in crypto. And Chainlink occupies the sweet spot where they intersect.

The near-exponential growth of smart-contracts and DeFi basically means near-exponential demand for Chainlink, going forward, and the information it provides.

Surely, prices will follow.

How To Buy Chainlink (LINK)

You can buy Chainlink directly via a cryptocurrency exchange such as [Coinbase](https://www.coinbase.com) or global crypto exchange giant [Binance](https://www.binance.com).

Of course, you have to first open an account and fund it, much like stock brokerage account. However, this can usually be done online in less than an hour.

(See the Weiss Cryptocurrency *Quick-Start Guide for Newcomers* for specific instructions on how to open and operate a crypto exchange account.)

Advantages include low trading commissions, generally low bid-ask spreads and no limits on the size of trades. And if you forget your password, there's a procedure to recover it.

Drawbacks include occasional poor customer service. Also, crypto exchange accounts have been hacked in the past. The three we pointed you toward above are among the most established and trusted in the industry. So, this risk is very small. But it is not zero.

To be totally safe, store you newly-purchased crypto in a digital wallet (such as [Exodus](#) or [Ledger](#)), and lock your private keys up in a safe.

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