Part 1: MARKET AND BACKGROUND

1.1. Cryptocurrencies and history

A cryptocurrency is a form of digital asset. You can simply understand virtual currencies like regular currencies, but they are encrypted so that they can be exchanged on online platforms. The cryptocurrency is only available in encrypted form and not in physical form. Not only that, the cryptocurrencies will be stored and traded through designated software or smart depositing devices. All transactions will be done on the Internet or through dedicated networks to ensure the safety of Traders.

Cryptocurrencies have been around since the 90s when the information and digital age began to explode. Inspired by the commercialization process, a number of businesses and organizations have founded cryptocurrencies such as Flooz, Beenz, Digicash, etc. These businesses seem to only focus on and depend on the regulatory system 3rd party transaction control. This is the cause of their downfall.

After so many decades, the new cryptocurrency officially formed its own empire. Typically, the Bitcoin coin appeared in 2008. Because of the application of Blockchain technology, the transaction of bitcoin does not depend on 3rd party intermediaries and has high security. This is the reason why Bitcoin is growing stronger and is the ideal choice of investors.

Users will use a digital wallet to store their coins. They can access the wallet anywhere using mobile devices connected to the Internet. The coins will be operated and exchanged from one digital wallet to another thanks to Blockchain technology.

1.2. Market Trends of Cryptocurrencies

The recently released report of The Bank for International Settlements (BIS) showed that 86% of the 65 central banks surveyed have some central bank digital currency activity (CBDC - Central Bank Digital Tokens). They can be research, proof-of-concept, or pilot development. Meanwhile, the remaining 15% is turning to actual research for experimental coins. According to experts' analysis, the trend to focus on CBDC stems from the fact that consumers are increasingly moving away from cash, especially in the context of the Covid-19 epidemic. However, the decline in cash use may not be the only reason. Convenience and speed, avoiding the risk of money laundering, counterfeit money ... are convenience factors to be taken into account. Most countries in the Group of 20 (G20) are exploring, developing, or testing digital currencies, while non-G20 countries such as Sweden, Norway, Switzerland, and Cambodia have also said they are watching, considering digital currencies.

According to the results of a report by researchandmarkets.com, in 2021, the total investment capital in the crypto market has increased from 1.44 billion dollars to 1.63 billion dollars, CAGR - the Compound Annual Growth Rate of approximately 13%. Experts also predict that this market will reach $2.73 billion by 2023 at a CAGR of 13.8%.