



Can NFTs Make You Millions?

Description

A *non-fungible token*, or NFT, is an innovative new concept that is based on the same technology that made Bitcoin possible. Now, artists and writers from across the world are using these tools to try to generate dollars online. While the hype overshadows reality, growth investors should take a closer look at this emerging new technology.

Here's what an NFT is and how it could impact the digital economy as well as your portfolio.

What is an NFT?

If you understand Bitcoin and the underlying blockchain technology, NFTs should be fairly simple to grasp. A quick refresher – blockchain technology allows us to store data on digital blocks that are chained together. This framework lets people interact with the data without the need for an intermediary.

The most popular use of blockchain technology is to create a digital currency, namely Bitcoin. Over the past 12 years, Bitcoin has steadily gained value. The collective value of all Bitcoin is now US\$1 trillion – which makes it larger than most national economies.

NFTs are a relatively new way to use that same blockchain technology. The difference is that these digital assets can be easily created by anyone. They can also store any sort of data, ranging from pictures to soundtracks. That means an artist can now store their digital work on a blockchain they created themselves.

Jack Dorsey recently sold his first Tweet via NFT for US\$2.5 million (CA\$3.2 million). A piece of digital art sold for a record-breaking US\$69 million (CA\$86 million) last week. The National Basketball Association (NBA) has used NFTs to allow fans to buy, collect and trade short video highlights of their latest games.

Effectively, NFT technology can help artists monetize their digital art and content independently.

How can you make millions?

Even if you're a digital artist with serious skills, the chances of your artwork selling for millions of dollars via NFT are slim. Remember, NFT technology can only make your work tradable, not popular.

However, there *is* another way you can make money from this trend – by betting on the underlying technology. NFTs are based on Bitcoin's rival Ethereum. All NFTs are created using the Ethereum network. Fortunately, Canadian investors can buy **The Ether Fund** (TSX:QETH.U), a listed security that tracks the value of Ethereum. Each unit of the fund represents 0.01766634 ETH tokens.

If NFTs continue to be popular and generate millions, usage of the Ethereum network should skyrocket. Meanwhile, the [upcoming supply cut](#) could further enhance the value of each ETH. With the recent dip in crypto assets, this could be the perfect time to buy the Ether Fund for your portfolio.

Bottom line

NFT technology helps artists and digital content creators monetize their work. Anyone, including you, can easily create a token to represent ownership of an image, GIF, voice note or article online. Major corporations have already adopted the technology to make money.

But launching your own NFT most likely won't make you rich. Instead, you could bet on the popularity of this concept via its underlying technology. Consider adding some exposure to the Ether Fund if you believe NFTs are here to stay.

CATEGORY

1. Investing
2. Tech Stocks

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/08/24

Date Created

2021/03/26

Author

vraisinghani

default watermark

default watermark