



Are NFTs Worth an Investment Today?

Description

[Non-fungible tokens](#), or NFTs, are generating quite a lot of buzz in the cryptocurrency space as of late, and for good reason.

This new phenomenon has taken the investing world by storm, especially after the sale of Beeple's all digital artwork, "Everydays: The First 5,000 days," for a whopping \$69.3 million. For investors who are not familiar with this new craze in the crypto universe, it's imperative that they understand what the hype is all about.

So, here's all you need to know.

What are NFTs, and how do they work?

"Non-fungible" means something that is unique and cannot be replaced. Let's take the example of another cryptocurrency: Bitcoin. It is fungible, as an investor can trade one Bitcoin for another identical Bitcoin. On the contrary, a unique trading card or first-edition book is non-fungible. If these one-of-a-kind assets are traded, that's it. Replacing these will be much more costly than buying the mass-reproduced options.

On an advanced level, an NFT is a one-of-a-kind data unit that is stored on a digital ledger known as blockchain. It refers to a unique digital item that one can buy or sell if they believe that it has value. It can be almost anything that's available on the internet.

Indeed, this covers jpgs, gifs, tweets, video clips, etc. An illustrator can utilize the Ethereum network and create a digital token for their artwork. Likewise, a person can turn any of their tweets into an NFT.

Sounds fascinating, doesn't it? Jack Dorsey, **Twitter's** CEO recently sold his first tweet for nearly \$3 million. The tweet will not be taken off the social media platform. Anyone can simply go to Mr. Dorsey's Twitter feed to see the tweet.

Nevertheless, the winning bidder would own the NFT, which will carry Jack Dorsey's signature. Non-

fungible tokens have value primarily because of their uniqueness and scarcity. Hence, the price of an NFT depends upon the demand and supply for the particular digital item.

How can one buy NFTs?

Well, one could buy NFTs directly and hold them in digital wallets.

Or one could invest in publicly traded companies directly tied to NFTs. For the average investor, this may be an easier and more practical route to take.

Enter **CurrencyWorks** (TSXV:CWRK). Currencyworks is a great option for individuals looking to get in on the NFT trade. The stock price of this company has increased more than 400% in 2021, owing to the growing popularity of NFTs.

Yes, NFTs are completely new to the investing world. However, that hasn't stopped investors from piling into this speculative trade.

That said, this remains a highly speculative trade right now. Long-term investors who are wary of volatility may be better suited staying on the sidelines. That's where I am right now.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice
2. growth
3. growth stocks
4. investing
5. market
6. Stocks
7. tech
8. tech stocks
9. technology
10. technology stocks
11. tsx growth stocks
12. tsx 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

Tags

1. Editor's Choice
2. growth
3. growth stocks
4. investing
5. market
6. Stocks
7. tech
8. tech stocks
9. technology
10. technology stocks
11. tsx growth stocks
12. tsx tech stocks

Date

2025/08/23

Date Created

2021/04/09

Author

chrismacdonald

default watermark

default watermark