What is Your Brief Opinion On the Long-Term Strategy of Ripple?

Cryptocurrency Chosen: Ripple

Exercise Progress: 1 of 49 Steps Completed

Long-Term Investment Research Framework

STEP 1: What is Ripple? This is similar to Step 4, with much more detail on the background of Ripple.

Ripple is a real-time global network for payment settlement. This means that Ripple is a network where payments can be transferred between entities. The Ripple network is run by privately-held company, Ripple, Inc., while the software underwriting the network is open source allowing anyone the ability to set up a node on the Ripple network. Ripple is a distributed ledger of transactions. It is a means of recording and proving that a transaction (or transactions) happened in an indisputable fashion. In addition to the Ripple network, it is integral we discuss XRP, the native currency of Ripple. Sometimes XRP is referred to as 'Ripple'

STEP 2: What is the Brief Purpose of Ripple (What Problem is it Solving)?

Ripple offers a global real-time cost-efficient payment system for transactions between financial companies.

STEP 3: What is the Brief Reasoning Framework for Ripple (What is Your Brief Opinion on the Long-Term Strategy of Ripple)?

Ripple has secured partnerships with numerous financial institutions as part of its long-term strategy to improve domestic and international banking processes. I think Ripple is on a great track for long-term success given the fact that there is already widespread adoption from large financial services companies.

STEP 4: What is the Brief Purpose of Ripple (What Problem is it Solving)?

Ripple offers a global real-time cost-efficient payment system for transactions between financial companies.

STEP 5: What is Your Brief Opinion on the Long-Term Strategy of Ripple?

Ripple is on a great track for long-term success given the fact that there is already widespread adoption from large financial services companies.

STEP 6: Did you sign up for Ripple Google Alerts at alerts.google.com? Click me to go to alerts.google.com.

STEP 7: Did you sign up for Meetup.com meetings in Canada for Ripple? Click me to access local meetings in Canada for Ripple (if available).

STEP 8: Did you sign up for Ripple's newsletter? Click me to access the Ripple newsletter.

STEP 9: Using Twitter, have you followed official Ripple Twitter feed? Click me to access Twitter to follow the official Ripple Twitter feed.

STEP 10: Have you tried the product (meaning have you bought or sold fractions of or an entire Ripple)? If not, please watch the lesson in Part 2 of the course on how to buy Ripple.

STEP 11: (Optional) Have you used GitHub.com to research Ripple? Click me to access GitHub.com and read about research Ripple.

STEP 12: (Optional) Have you used Reddit.com to research Ripple? Click me to access Reddit.com and read about research Ripple.

STEP 13: (Optional) Have you used YouTube.com and read about research Ripple? Click me to access YouTube.com and read about research Ripple.

STEP 14: Have you reviewed the contents and resources on the Ripple website? Click me to access the official website for Ripple.

STEP 15: Have you reviewed the Wiki website contents and resources for Ripple? Click me to access a helpful Wiki resource for Ripple.

STEP 16: Have you reviewed the non-editorial articles for Ripple on Coindesk.com? Click me to access Coindesk.com articles for Ripple.

STEP 17: Have you analyzed how Google search trends have changed for Ripple? Click me to access Google search trends for Ripple.

STEP 18: Why does Ripple exist?

The main problem and reason that Ripple exists is to solve the problem of cross-border payments. Where the traditional system charges high fees and takes multiple days to process, Ripple charges a cost of 0.00025% of a transaction and takes seconds to transfer. I think Ripple is on a great track for long-term success given the fact that there is already widespread adoption from large financial services companies.

STEP 19: What are the pros (positive attributes) of Ripple?

Ripple is a real-time global network for payment settlement. This means that Ripple is a network where payments can be transferred between entities. The Ripple network is run by privately-held company, Ripple, Inc., while the software underwriting the network is open source allowing anyone the ability to set up a node on the Ripple network. Ripple is a distributed ledger of transactions. It is a means of recording and proving that a transaction (or transactions) happened in an indisputable fashion. In addition to the Ripple network, it is integral we discuss XRP, the native currency of Ripple. Sometimes XRP is referred to as 'Ripple'

STEP 20: What are the cons (negative attributes) of Ripple?

A major stipulation of Ripple, is that it is centralized and private unlike its contemporaries Bitcoin and Ethereum. Ripple has a 70% ownership stake in the coin, which suggests the risk of manipulated inflation and deflation in the coin. Individuals utilizing Ripple do not have the ability to access the entire Ripple network. Compounding the disadvantages of Ripple, is that it ultimately helps banks and financial institutions profit more while taking away from the aspect of cryptocurrency being decentralized.

STEP 21: What is the management team like for Ripple? Include information like your thoughts on the quality of the CEO, the quality of the developers that work there, the quality of board, the quality of investors etc (check out crunchbase.com and comment on VC investors if applicable).

The CEO of Ripple, Brad Garlinghouse, is an Harvard Business School alumni who has extensive executive experience working in tech companies and venture capital (please click on the hyperlink to the right to access the Crunchbase page for Ripple, then scroll down and click on Brad’s name to see his extensive experience, investment exits, etc.). The developers and cryptographers at Ripple are also top-notch with some of the best crypto researchers around. Ripple’s board consists of top finance professionals and venture capitalists. Their investors include some of the most prominent venture capital firms in Silicon Valley like Andreessen Horowitz and Google Ventures.
### STEPS 23-26: Ripple Security & Differentiation Versus the Competition

- **STEP 23:** What is the developer community like for Ripple? Include information like do you think they seem committed to improving the cryptocurrency or are they opensource or not, etc.?  
  Ripple’s developer community is vast and has the ability to build applications that interface with Ripple’s open-source technologies.

- **STEP 24:** Does Ripple have any notable reference customers or partners (i.e., large companies or government agencies that use or have positive things to say about Ripple)?  
  American Express, Banco Santander, MoneyGram International, Deloitte, and SBI Holdings are among some of the notable partners using Ripple.

- **STEP 25:** Please comment on the strength of the security of Ripple when compared to other cryptocurrencies.  
  The openness/transparency that the Ripple network operates on, has allowed for vulnerabilities to develop. While the core of the Ripple network remains highly liquid, the structure is vulnerable to attacks on certain nodes which can disable some users’ from accessing funds. Tens of thousands of wallets would be at risk were an attack like that to happen. However, early identification of weaknesses in the system allow Ripple’s development team to proactively fix them.

- **STEP 26:** How is Ripple different from other cryptocurrencies (in addition to differences in security protocols if applicable)?  
  Ripple differs from other cryptocurrencies in that it is a centralized system owned by the Ripple company. Also, the company owns a material portion of the total supply of XRP.

### STEPS 27-30: Wallets and Exchanges that Support Ripple

- **STEP 27:** Of the 6 exchanges discussed in this course, can you transact in Ripple on all 6 of these exchanges: GDAX, POLONIEX, KRAKEN, BITTREX, GEMINI, and BINANCE? If not, which of the 6 aforementioned exchanges do not currently accept Ripple?  
  Of the 6 exchanges discussed in the course, Kraken is the only exchange it is available on (per the list on Ripple’s official website of exchanges).

- **STEP 28:** Of the 8 wallets discussed in this course, can you use Ripple with all 8 of these wallets: QR CODE PAPER BASED WALLET, TREZOR, LEDGER NANO S, DIGITALBITBOX, KEEPKEY, COINBASE, ELECTRUM AND BLOCKCHAIN? If not, which of the 8 aforementioned wallets do not currently accept Ripple?  
  Of the 8 wallets discussed in the course, only the QR code paper based wallet and the Ledger Nano S support Ripple.

### STEPS 31-33: Country, Accounting and Bug Risks of Investing in Ripple

- **STEP 31:** If applicable, who is the auditor of Ripple and are they reputable/well known in their country of origin or country of incorporation?  
  N/A

- **STEP 32:** Are there any notable country or regulatory risks when it comes to Ripple that might hurt the ability of Ripple to be successful in the long-run when compared to other cryptocurrencies?  
  Ripple has been fined in the past for disregarding regulations. Additionally, XRP has experienced price reductions whenever countries have taken regulatory action to ban crypto trading, but I don’t think any of the aforementioned issues will have a substantial enough of an impact to hurt Ripple’s long term success.

- **STEP 33:** Are there any code bugs for Ripple that are a concern for investors?  
  Ripple recently announced a bug bounty program with their latest software update. This will allow the company to focus less on listening to frequent complaints and focus more on improving their technology.

### STEPS 34-35: What would make you MUCH MORE or MUCH LESS positive on Ripple?

- **STEP 34:** What would make you MUCH MORE positive on Ripple (meaning what news development, contract, etc would make you much more positive)?  
  I would be much more positive on Ripple if many more of the world’s largest banks used its technology and if more governments supported its development.

- **STEP 35:** What would make you MUCH LESS positive on Ripple (meaning what news development, contract, etc would make you much less positive)?  
  I would be much less positive on Ripple if the company and its founders suddenly cashed out on their holdings of Ripple.

### STEPS 36-39: Mining Incentives, Reddit & Twitter Followers for Ripple

- **STEP 36-39: Mining Incentives, Reddit & Twitter Followers for Ripple:**

### DMCA Compliance

This content is protected under the Digital Millennium Copyright Act (DMCA). Any unauthorized use, reproduction, distribution, or modification is prohibited without express written permission. If you believe that your intellectual property rights have been violated, please contact us immediately.
STEP 36: Is there an economic incentive for people to improve Ripple (is through mining etc? Please explain)

Aside from improving international payments and banking processes, there is no mining for Ripple as it is a centralized system with a limited supply.

STEP 37: How many Reddit readers does Ripple have?

Ripple has 186,000 Reddit readers, compared to an average of 192,950 for these ten cryptocurrencies: BTC, ETH, XRP, LTC, XMR, ZEC, DASH, NEO, ADA, XLM.

STEP 38: How many Twitter readers does Ripple have?

Ripple has 862,000 Twitter readers/subscribers, compared to an average of 363,890 for these ten cryptocurrencies: BTC, ETH, XRP, LTC, XMR, ZEC, DASH, NEO, ADA, XLM.

STEP 39: [Optional] Write in the space below the name of another social media company like Twitter that is worth tracking in your country when doing research on Ripple and comment on the metrics relative to other cryptocurrencies similar to what you have done in Step 38.

Long-Term Cryptocurrency Investment Research Report

The target price (below this box) is just a sample, please watch the video associated with this calculation. Please read the 6 facts below before answering the questions; thanks:

Steps 40-43: Quantifying an Estimate on the Long-Term Target Price for Ripple:

Fact #1: Stock Market Combined Value: The value of all stocks added up (meaning the combined global market cap of stocks) is in US $:

Fact #2: The World’s Largest Stock Value: The value of the largest company in the world on the stock market (which is Apple) is:

Fact #3: % of the Stock Market Value in the Largest Stock: The % value of the largest stock as a % of the world’s market cap is about:

Fact #4: The Value of the World’s Money Supply: The total of all of the money supply added up in the world is:

Fact #5: According to www.CoinMarketCap.com, the market cap of all cryptocurrencies is:

Fact #6: The percent of the market cap of all cryptocurrencies as a percent of all money supply in the world is:

Please note, the target price (below this box) is just a sample, please watch the video associated with this called [A+B] Using My Investment Framework to Analyze Ripple for more details.


STEP 40: What % of all of the money in the world do you think will be in cryptos in 20 years (we need to think long term when analyzing Ripple)?

Based on your answer of 10%, this implies that your 20 year estimate of the total value of the cumulative market cap of Ripple will be $900,000,000,000 USD.

Please note that $900,000,000,000 USD in Canadian dollars is 1,113,064,700,000 using an exchange rate of 1.28678 per $1 US dollar (you can change this rate by clicking on me or by clicking on the settings button).

STEP 41: What percentage of the ENTIRE cryptocurrency market do you think Ripple will have in cryptocurrencies in 20 years? Use the grey up and down arrows on the right to select your answer in the green box...

Based on your answer of 10%, this implies that your 20 year estimate of the value of the market cap of Ripple will be 900,000,000,000 USD dollars.

Please note that $900,000,000,000 USD in Canadian dollars is 1,113,064,700,000 using an exchange rate of 1.28678 per $1 US dollar (you can change this rate by clicking on me or by clicking on the settings button).

STEP 42: What do you think the supply of coins for Ripple will be in 20 years? Use the grey up and down arrows on the right to select your answer in the orange box...

Based on your answer of 20 million coins, this implies that your 20 year estimate of the value of the coin of Ripple will be $45,000,000 USD.

Please note that $45,000,000 USD in Canadian dollars is 58,000,000 using an exchange rate of 1.28678 per $1 US dollar (you can change this rate by clicking on me or by clicking on the settings button).

STEP 43: What do you think the future price of Ripple will be in the future? Use the grey up and down arrows on the right to select your answer in the orange box...

Please note the target price (below this box) is just a sample, please watch the video associated with this called [A+B] Using My Investment Framework to Analyze Ripple for more details.


[Optional] STEP 44: If you wanted to discount the future price into today’s value using your own discount number of years and your own interest rate, then please plug those 2 parameters into the boxes on the right to get a more conservative discounted price as of today.
Based on all of the assumptions listed above, and using a discount time period of 20 years and using a discount interest rate of 10%, the target price for Ripple is $6,689.

<table>
<thead>
<tr>
<th>STEPS 44-49</th>
<th>Technical Analysis for Ripple</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please watch the lesson mentioned in the yellow box on the left before looking at the technical analysis concepts below. Please note that the aforementioned lesson will explain how to look at charts when you do your technical analysis (please please please focus much more time on your long term fundamental analysis instead of technical analysis).</td>
<td></td>
</tr>
</tbody>
</table>

**Ripple Price:** .697

**STEP 44: AVERAGE 3 MONTH VOLUME DATA:**

- **Average 3 Month Daily Volume for Ripple:** 83.96M |
- **Avg. 3 Month Daily Volume for Ripple in US $:** $559M |
- **3 Month Daily Volume for Ripple in Canadian dollars:** 75M

Please look at the average 3 month volume of Ripple in the data for Step 44. Is this cryptocurrency liquid enough for you to easily buy or sell in 1 trading day? Please enter your comment below.

In most cases, the cryptocurrency volume is high enough for us to be able to get in or out of within 1 day if needed. I want to put this concept on your radar screen now so that you can better assess the volume characteristic if you ever transact in less liquid cryptocurrencies as illiquid investments own us in a bad market (rather than vice versa).

**STEP 45: 52 WEEK HIGH DATA:**

- **52 Week High:** 3.29 |
- **$ Change from 52 Week High:** -0.59 |
- **% Change from 52 Week:** -19%

Please look at the price of the 52 week high for Ripple in the data for Step 45 and comment on the data below.

Ripple is 78.83% below the 52 week high price of 3.29. Most of the time, the price will be below the 52 week high. If the % below the 52 week high is material, this could indicate that sentiment is negative given a negative news item or negative sentiment on the entire crypto market or another reason.

**STEP 46: 52 WEEK LOW DATA:**

- **52 Week Low:** 1.3 |
- **$ Change from 52 Week Low:** -0.37 |
- **% Change from 52 Week Low:** -43%

Please look at the price of the 52 week low for Ripple in the data for Step 46 and comment on the data below.

Ripple is 435.85% above the 52 week low price of 1.3. Most of the time, the price will be above the 52 week low if the % above the 52 week low is material, then this could indicate that sentiment is positive given a positive news item or positive sentiment on the entire crypto market or another reason.

**STEP 47: 50 DAY MOVING AVERAGE DATA:**

- **50 Day Moving Average:** .69 |
- **$ Change from 50 Day:** -0.01 |
- **% Change from 50 Day:** -678.00%

Please look at the price of the 50 day moving average for Ripple in the data for Step 47 and comment on the data below.

Ripple is 6870.00% above the 50 day moving average of .69, which indicates that sentiment may be positive on Ripple. (If the % above the 50 and 200 day moving averages are positive, this means that sentiment could be very positive and vice versa.)

**STEP 48: 200 DAY MOVING AVERAGE DATA:**

- **200 Day Moving Average:** .82 |
- **$ Change from 200 Day:** -0.12 |
- **% Change from 200 Day:** -680.83%

Please look at the price of the 200 day moving average for Ripple in the data for Step 48 and comment on the data below.

Ripple is -680.83% above the 200 day moving average of .82, which indicates that sentiment may be positive on Ripple. (If the % above the 50 and 200 day moving averages are positive, then, this means that sentiment could be very positive and vice versa.)

**STEP 49: RELATIVE STRENGTH INDEX (RSI):**

**What is the RSI and How Should I Consider Using the RSI Data?**

If you want, please watch the lesson mentioned in the yellow shaded column on the left before starting before reading the rest of Step 49. The Relative Strength Index (RSI) can indicate if too many people have been buying or selling and a technical mean reversion chart movement could occur (I generally love buying when everyone else is selling and vice versa as long as I love the underlying long term fundamentals on the underlying cryptocurrency).

**Potential Buy Indication Using the RSI:** An RSI close to 20, indicates that the cryptocurrency may be oversold, which is a great buy signal if you love the long term fundamentals.

**Potential Sell Indication Using the RSI:** If the RSI is close to 80, then this could indicate that you might want sell and book a little bit of profit and hopefully buy the cryptocurrency back at a lower level (when it is no longer overbought). There is nothing wrong with booking a little bit of profit by trading every now and then...but we are more focused on being long-term investors.

Click any cryptocurrency button below to see its RSI chart. If you don’t see RSI at the bottom of the chart after clicking on one of the buttons below, then click on INDICATOR in the top left hand corner after you click the button and add the RSI. Make sure you are using the most recent dates on the chart. If you get an error message in your browser, go to finance.yahoo.com and create the chart for whatever crypto you are using. Thanks.

If you want, please enter your thoughts on the RSI chart that you looked at in the space below:

Here is an example on how to complete this RSI comment: “oversold now at an RSI near 20 (means a buy indication ONLY if you are long term positive on the fundamentals of this cryptocurrency based on your research in the many many steps completed above me on this report) ...or... “overbought now at an RSI near 80 (means I might consider taking a bit of profit if I own this cryptocurrency and buy that small amount back at a lower RSI...or if you want to start a position, then it might not be the right time given how overbought the RSI indicators suggests.” [Please copy the contents of the yellow box below thanks].

Have to stress again, that in general, please be more long term focused so we can be long term owners and not merely "tourists" or "renters" of any investment. If we do our thorough research on any investment, then we are more likely to be longer-term focused (if we like the fundamentals based on our research process). This will ensure that we don't sell at the worst time and vice versa like most investors do (which often creates opportunities for the better informed investors to profit in the long run). Of course, and as a disclosure, positive returns are not guaranteed by this course...I just want to help you understand how to research investments. Thanks.