

The world's most expensive list. Bitcoin.

Imagine a list. A list of names, each with a number next to it, available freely online. You pay some of your hard-earned cash to have the number '2' added to the end of it. There is virtually no chance that your 2 will be corrupted and that's why you think it was worth what you paid; \$8000. You're certain that the number 2 will remain next to your name until you transfer it to someone else. Result. Welcome to the world of Bitcoin.

This is how a cryptocurrency works. There are a couple of technical differences: it does not publish your name, just your wallet number, the list is called a 'blockchain' and it contains transaction details rather than balances. But you get the idea - you can view your own transactions and you can view everyone else's - it's accurate, transparent and anonymous (or more accurately pseudonymous). A user has a wallet number but a Bitcoin doesn't have a serial number.

You may be wondering if your purchase was worth \$8000. After all, if you'd simply wanted to be on the list you could have paid \$2000 and bought just half a Bitcoin instead. Would that be better value? Would it have been even better to pay just \$1? Or would that be somehow less satisfying - after all, a 10% leap in value would then net you just 10 cents.

Maybe you'd get more satisfaction if you had paid \$20000 in 2018? You might have transferred it to somebody else for \$22000, a healthy 10% return. To somebody else who was pleased to see their balance go up by 1 and yours go down by 1. The list is re-published every 10 minutes, 24 hours per day, 365 days per year so you can buy and sell whenever you like and check your new balance.

Back in 2009, 1000 Bitcoins were worth \$1. There was a remarkable moment in 2011 when they were changing hands for \$1 each. At that point the question on everyone's lips was, "when the hype's over, how many cents will a Bitcoin be worth"? No one thought the answer would eventually be \$1000, let alone \$4000, \$20000 or more.

So in 2020, how much do you think someone will pay to buy one from you? A Bitcoin will still be a simple number, just on a longer list of values transferred from one wallet to another and re-published on the blockchain 10 minutes later. Nothing else happens in the Bitcoin system.

How much is a Bitcoin worth? That is the billion-dollar question. There is no right answer.

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[In December 2018 the value of 1 Bitcoin was worth between \$3000 and \$4000]