

# Digital Asset Research & Valuation Analysis

## Ripple (XRP)

### Intro

Ripple is a real-time gross settlement system that facilitates currency exchange and remittances. The Ripple network is used by businesses and institutions to settle transactions. XRP uses a different consensus mechanism from most cryptocurrencies known as a federated consensus algorithm where network validators are chosen by Ripple itself, making the network centralized. XRP's founders issued the entire supply of 100 billion XRP in 2012 allocating 80 billion to Ripple and 20 billion to themselves. While XRP uses the blockchain, which is decentralized, it is considered by many to be a centralized coin as no one other than Ripple Labs Inc. can determine the issuance of new coins, meaning it could one day the supply can be inflated indefinitely. It is important to note that as of writing this the case against Ripple for illegally raising \$1.38 billion in an unregistered securities offering by the SEC is still ongoing.

Disclaimer: This report is for informational purposes only, and should not be considered investment advice. Data in this document is not updated regularly and should only be considered accurate at the date of creation.

### Top 5 Exchanges by volume

XRP/BTC Pair: Binance, Dcoin, WhiteBIT, FMFW.io, HitBTC

XRP/USDT Pair: Binance, WhiteBIT, AAX, LBank, Hoo.com

XRP/USD Pair: FTX, Bitstamp, Kraken, BTSE, Bitfinex

### Tokenomics

**\*Disclaimer that this info is not updated and is only relevant as of writing it\***

<b>Name</b>	<b>Ripple</b>
<b>Ticker</b>	<b>XRP</b>
<b>Market Capitalization</b> (Price x max supply)	<b>\$17.5B</b>

<b>Circulating Supply</b>	<b>48,343,101,197</b>
<b>Total Supply</b>	<b>99,989,535,142</b>
<b>30 day 24HR Volume Average</b>	<b>\$1,258,514,568</b>
<b>Emission Schedule (Rate of coin issuance)</b>	<b>0</b>
<b>Cryptographic Algorithm</b>	<b>Ripple Protocol Consensus Algorithm (RPCA)</b>
<b>Blockchain Security</b>	<b>Ripple Protocol Consensus Algorithm (RPCA)</b>
<b>Date of Inception</b>	<b>2012</b>
<b>Owned by a company?</b>	<b>Yes, Ripple Labs Inc.</b>
<b>Based in</b>	<b>United States</b>
<b>DEV Fee/Tax</b>	<b>0%</b>
<b>Premine</b>	<b>100%, 20% issued to founders and 80% to Ripple</b>
<b>Github Activity</b>	<b>Very Good</b>
<b>Community Size</b>	<b>3M Twitter &amp; Reddit</b>
<b>Irregularities/Red Flags</b>	<b>Ripple has the ability to mint new XRP coins at any time</b>

### Tokenomics Summary

The Good:

- No Dev-Fee
- Huge community
- Github shows constant updates

The Bad:

- Ripple has full control over coin issuance
- XRP is heavily pre-mined
- Uses it's own consensus mechanism allowing Ripple to decide who is allowed to be a validator node, making it centralized

### Utility

XRP's use case is facilitating cross border currency exchange and remittance to large financial institutions. It is important to note that retail investors have little to no benefit from holding XRP as Ripple's products are aimed at institutions.

## Promise Coin?

Ripple is not a promise coin, as they already have a working product

## Devs

Ripple has 80 code contributors with a very active dev team

## Competitors

Ripple: 1,500 Transactions per second  
 Visa: 65,000 Transactions per second  
 Mastercard: 5,000 Transactions per second

## Valuation

**Disclaimer: There is no current standardized valuation mechanism, and there is no guarantee that said coin/token will ever reach this price.**

Since Ripple competes with both Visa and Mastercard we will use them both in the valuation using each's TPS as reference (keep in mind Ripple has the advantage of near-instant transfers while Visa and Mastercard typically impose a 24-48hr hold).

Bearish Valuation:

Visa's 65,000 TPS vs XRP's 1,500 TPS  
 Visa's Marketcap: \$428B  
 XRP Marketcap: \$17.5B  
 Visa TPS advantage: 43x

Using Visa's current valuation as a metric of value then Ripple should be valued at around \$10B a 0.57x decrease, which would put its price at \$0.1995 per coin

Bullish Valuation:

Mastercard 5,000 TPS vs XRP's 1,500 TPS  
 Mastercard Marketcap: \$320B  
 XRP Marketcap: \$17.5B  
 Mastercard TPS advantage: 3.3x

If XRP were to be valued the same as Mastercard then it should have a market cap of around \$97B a 5.5x increase, which would put its price at \$1.925 per coin

## Final Analysis

While XRP doesn't have the best tokenomics, they do have a fairly large development team, has good utility as it allows fast cross border institutional transfers, and isn't a promise coin. We do however prefer to wait for the ongoing SEC lawsuit to finish before deciding on what to do with it as it currently possesses high investor uncertainty and little to no retail investor benefits.

## Score (0-5)

2.4/5

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