LikeFolio

WAX Deep Dive

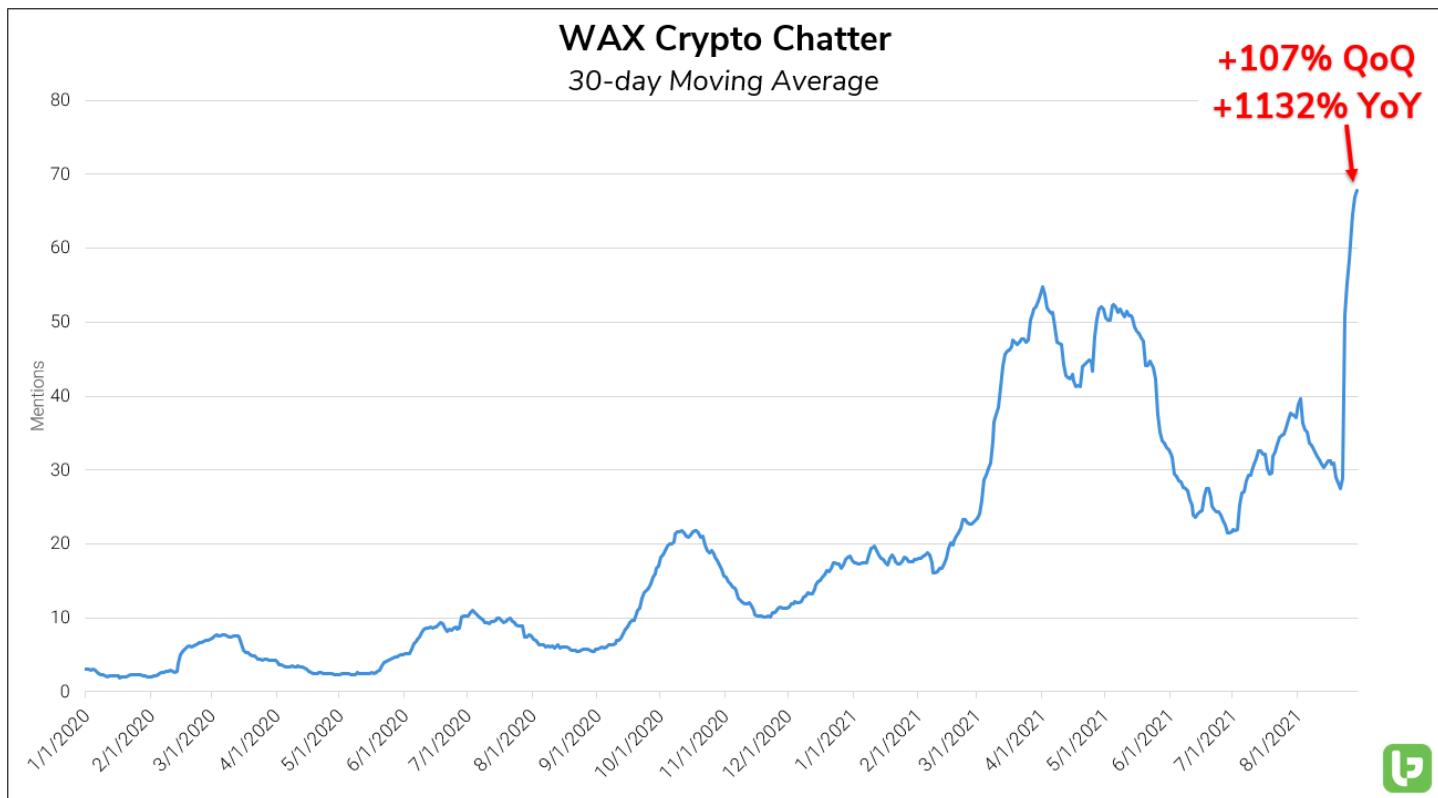## *A Blockchain Built for eCommerce*

What is WAX?

At its core, WAX is an interconnected ecosystem of **online marketplaces**, **games**, and **unique digital goods** called 'Non-Fungible Tokens' (NFTs)

Every action on the WAX platform, including the creation and sale of NFTs, is recorded on an independently verified, immutable ledger called a **blockchain** – The WAX blockchain was purpose-built with eCommerce in mind. It utilizes a unique verification protocol to maintain **fast and zero-cost transactions**.

All monetary transactions on the WAX blockchain are priced in units called **WAXP**, which can be bought and sold for USD using a cryptocurrency exchange. **1 WAXP = ~$0.35**

WAX already boasts an incredibly robust userbase, with more than **6 million** WAX Cloud Wallet accounts, **555,000** daily active users, and **17 million daily** transactions

LikeFolio data shows that **WAX is gaining significant traction with investors**; crypto-specific mentions for WAX tokens are surging alongside the price: **+107% QoQ** and **+1132% YoY** (30d moving average).

WAX Crypto Chatter
30-day Moving Average
+107% QoQ
+1132% YoY

Blockchain Overview – Fast and Focused

The WAX blockchain aims to streamline the sale of both **digital** and **physical** goods.

Lighting-fast transactions and built-in marketplace-creation tools make it an ideal platform for eCommerce merchants.

WAX was created with decentralized governance in mind. Its layer-1 blockchain uses a 'delegated proof of stake' (DPoS) consensus protocol to ensure a high level of quality over time by granting direct ownership to the users.

Unlike slow and inefficient 'Proof of Work' (PoW) and fast but randomized 'Proof of Stake' (PoS) protocols, **DPoS facilitates incredibly high transaction speed while maintaining a high degree of confidence** – This is achieved by allowing WAXP token holders to vote on which trusted 3rd parties will be assigned block confirmations.

WAXP token holders receive incentives for voting, allowing the network to reach a consensus on the best block producers and future improvement proposals.

WAX's blockchain architecture supports a **500-millisecond block time** and **zero-fee transactions**…Currently, Bitcoin (BTC) has a block time of ~10 minutes with a stable $2 *minimum* per transaction.

Additionally, WAX's unique chain infrastructure provides tools to help users create marketplaces and games using decentralized applications (DApps).

Activity on the WAX blockchain is rising, as evidenced by the usage mentions chart shown below:
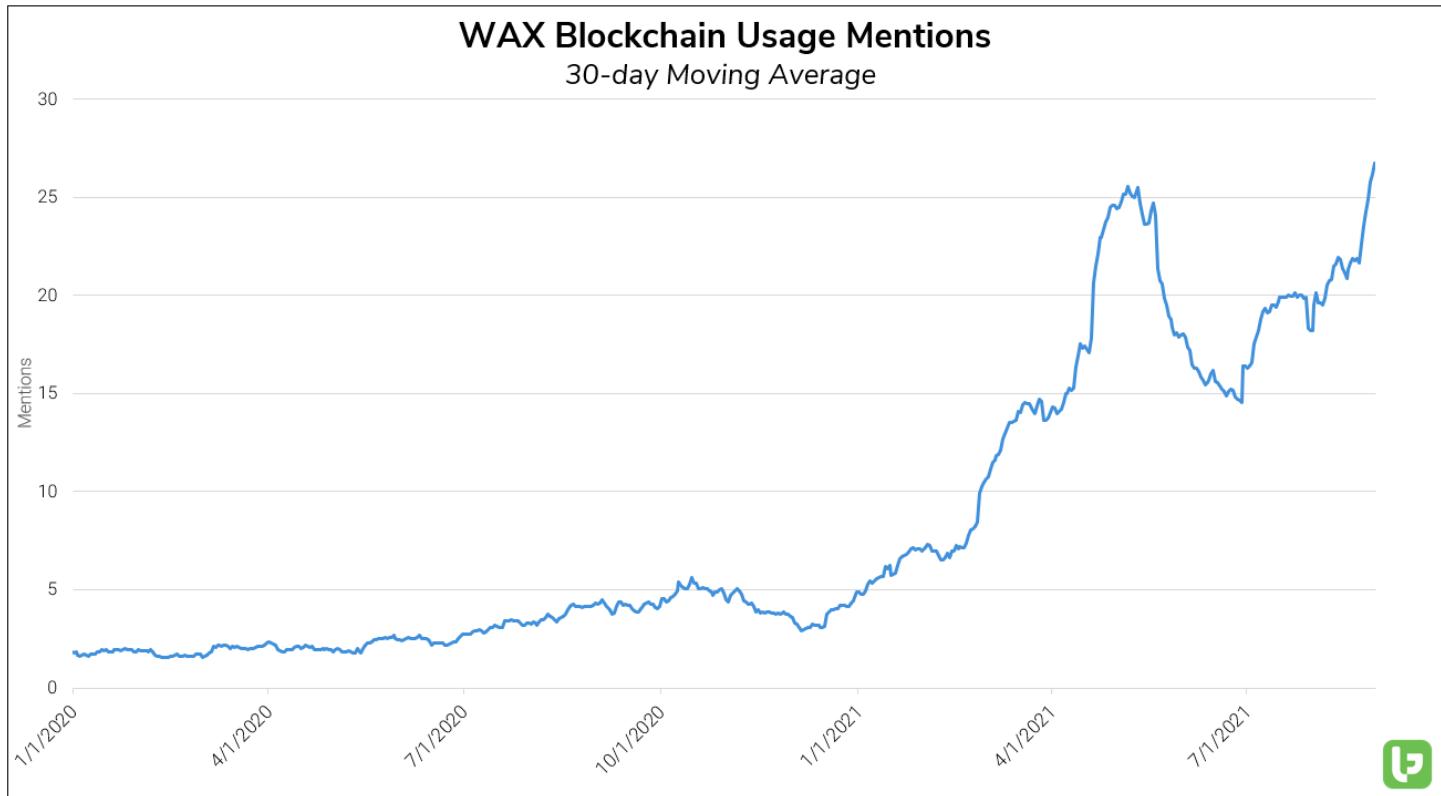
A Compelling Use-Case for NFTs

There are already numerous DApp marketplaces connected to the WAX Cloud Wallet selling NFTs. At the current time, these NFTs are mainly **collectibles** and **in-game assets**.

WAX already has a few high-profile NFT Partnerships in the collectibles space, including Tops Baseball Cards, Funko, and Capcom/Street Fighter.

WAX is also benefitting from a surging interest in blockchain-based games – *Alien Worlds* is a DApp run on the WAX blockchain- It is currently **the #1 most-used DApp game** in terms of 24-hour users and the **#2 most-used DApp overall.**
Users have paid upwards of $10,000 for in-game NFT assets, and these prices will only increase as the userbase grows.

The number of people talking about playing games on the WAX blockchain is at an **all-time high** on a 30-day moving average.

WAX also plans to bring **physical items** to its eCommerce-focused blockchain in the form of **vIRL NFTs:** These "Virtual In Real Life" NFTs are a digital representation of a material good that can be bought, sold, traded, and **redeemed for delivery**.

This technology has massive potential but has yet to be implemented in a meaningful way.

All WAX-powered Secondary Markets collect a 2% fee on the sale of NFTs. **These fees contribute to the maintenance of the WAX-Ethereum bridge.**

WAXP → WAXE – The Ethereum Bridge

Using the WAX Cloud Wallet, WAXP tokens can be converted into an ERC-20 token called WAXE at a fixed conversion ratio of 1000:1.

This process connects the robust WAX blockchain and its NFT assets with the broader De-fi ecosystem, largely Ethereum-based.

The **WAXE-ETH Liquidity Pool** is a Uniswap trading pair, which provides liquidity for transactions between ETH and WAX blockchain assets – This allows for [seamless NFT movement](#) between the two blockchains.

Staking Opportunities – Passive Income with WAX

WAXE and Ethereum (ETH) can be deposited to the **WAXE-ETH Liquidity Pool** in exchange for the liquidity pool token: **WAXE-ETH.**

WAXE-ETH tokens can be **staked** to receive rewards from the **WAX Economic Activity Pool (WEAP).**

The WAX Economic Activity Pool is an ERC-20 smart contract that collects fees from transactions on the WAX blockchain. These fees are converted from WAXP to WAXE and then paid out WAXE-ETH stakers in ETH.

WAXE-ETH stakers also receive payouts of **WAXG** (Governance token), which can be used to vote on the allocation of the WEAP. WAXG can also be burned for ETH rewards.

These staking rewards serve as a bonus for growth-minded investors. So, don't worry if this sounds like gibberish- It's not that important.

Our data shows that staking interest is still relatively low. However, we expect it to steadily rise as transaction volume on the WAX blockchain increases.

Recent Developments and Outlook

Binance, the world's largest cryptocurrency exchange, [officially listed WAXP](#) on 8/22, causing a +100% increase in the WAXP token price. $0.18 → $0.36

With a market cap of ~$600M, WAX ranks #120 overall for cryptocurrencies. However, its active use case and a clear path for expansion give the WAX blockchain massive potential.

We'll be closely watching this up-and-coming project going forward, so stay tuned for further updates in the future.

WAX Guide for Beginners: Getting Started

1. The **WAX Cloud Wallet** provides an intuitive browser-based experience that will seamlessly interface with DApps on the WAX blockchain. Interested investors can follow this link to sign up for an account using a preferred method.

2. Once the account has been created, it is recommended to enable **2-factor authentication** (2FA) for an added layer of security. This can be achieved by clicking the settings icon in the bottom right corner of the screen and then selecting '**Account Security**.'
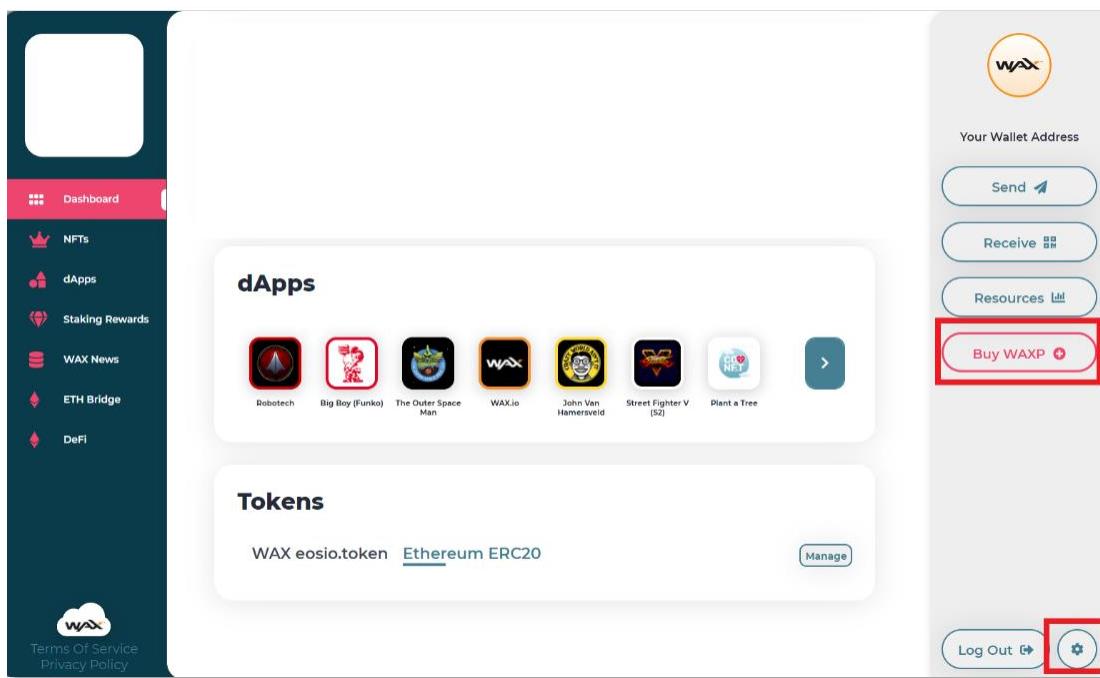
3. Once the Cloud Wallet has been created and secured, user can click the button to **'Buy WAXP'**. Several options are provided for purchasing WAXP tokens. Although the largest exchange, Binance, is not available to US-based users (who aren't using a VPN), there are several exchanges listed that are allowed in the US, including Nevada-based **Bittrex**. Exchanges will provide the best prices but also require a higher level of comfort with cryptocurrency transactions.

4. Beginners may consider using a swap service like **Simplex** or **ChangeNOW**.
Simplex is the most straightforward – Cash for WAXP (at an above-market rate). Unfortunately, it is not available in all 50 States. **ChangeNow** facilitates direct swaps of accessible cryptos like Bitcoin (BTC), Ethereum (ETH), and Cardano (ADA) for WAXP.

5. After the WAXP has been secured, it can then be **staked**:
Select '**Staking Rewards**' on the left side -> Select '**Stake More Tokens**' at the top of the page -> Distribute the tokens between CPU, NET, and RAM (Note: Certain Dapp games and marketplace actions require staked tokens in all 3 of these categories) -> Potential earnings will build up over time, which can be claimed by voting for a trusted WAX Guild.