

The Possible Future of XRP (1.0) - (3.0)

Understanding The Puzzle Pieces (1.0)

- Background:
 - The world is currently running on a debt based economy
 - A debt based system needs wars and “black swan events” in order to keep the economy running.
 - Examples of black swan events that kept the economy running via the government spending mass amounts of money and creating liquidity:
 - Covid 19
 - Ukraine and Russia war
 - Maui fires
 - These are all in order for the government to create new money and issue new debt. Why?:
 - The government needs to prop up the markets in order to sustain the longevity of the dollar. The problem with this is that it is an illusion and it is actually just digging a bigger hole for the economy.
 - The U.S. government has printed more money in the last two years than all of the previous years combined.
 - The dollars printed from 2020 to current equates to more than 80% of the U.S. dollar supply.
 - Banks are buying up mass amounts of gold even though the current narrative is that gold is decreasing in value.
 - At the same time the banks are buying up mass amounts of gold, the BRICS nations have been following an agenda to de-dollarize the world economy.
 - Below is a 2023 prediction of U.S. dollar transaction reduction in each country below. This is an outstanding number especially for Saudi Arabia, though not surprising because they are committed to join the BRICS nations this coming January.

Potential reductions in UST FX reserves for non-Western trade partners

Predicted reduction in dollar reserves after export invoicing switch

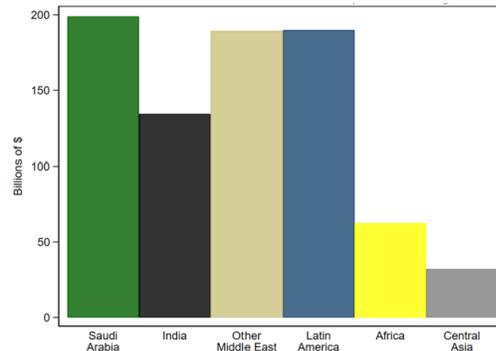


Figure: "Geopolitics and the U.S. Dollar's Future as a Reserve Currency," Weiss (2022).

- - (study done by Stanford University)
 - Reuters Research stated that, "Brazil's President called on Wednesday for the BRICS nations to create a common currency for trade and investment between each other, as a means of reducing their vulnerability to dollar exchange rate fluctuations."
 - "The objective, irreversible process of de-dollarisation of our economic ties is gaining momentum," Putin told the summit on Tuesday.
 - These are only two examples of the BRICS nations and other countries moving away from the dollar and moving to a common currency between those nations.
- Throughout this background information are key events/agendas that are taking place in our economy.
 - 1. We live in a debt based economy
 - 2. Banks are buying up mass amounts of gold
 - 3. De-dollarization is spreading rapidly and gaining traction globally

Puzzle Pieces Coming Together

- Before you read this section, return to the previous newsletter to refresh on the *Different Scenarios for XRP (1.0)*.
 - We talked about:
 - Living in a debt based economy
 - Why banks are buying up mass amounts of gold
 - De-dollarization spreading rapidly around the world

- These each play a significant role in the scenarios that are possible for XRP in the future.
- The past (original) connecting with the future of blockchain:
 - We are seeing many countries around the world heading towards a gold backed economic system again. We see this through their banks buying up mass amounts of gold and the de-dollarization happening.
 - Our debt backed system is so far in debt, even worse debt percentages and inflation compared to the numbers seen before the great depression.
 - The economy doesn't just need to crash in order to reset, it needs to find a new system completely in order to keep our countries afloat.
 - This is where blockchain technology comes into play.
 - Banks and large institutions worldwide are developing CBDCs, running pilot tests with cryptocurrencies, and adopting blockchain technologies.
 - These pilot tests are being ran with XRP and many other cryptocurrencies. They are also testing the XRPLedger and many are USING these new technologies already.
 - We will need these new technologies in order to advance. Countries will not want to fall behind using old systems.
 - Blockchain combined with our original gold backed standard will be the future of our monetary system.
 - This is truly tokenization and the tokenization of real world assets.

The Full Picture

- Before you read this section, return to the previous newsletter to refresh on the *Different Scenarios for XRP (2.0)*.
 - We talked about:
 - Our current monetary system moving to new technology while reintroducing old systems (gold backed system)
 - Banks and large institutions are adopting CBDCs, cryptocurrencies, and blockchain technology
 - De-dollarization spreading rapidly around the world
 - These each play a significant role in the scenarios that are possible for XRP in the future.

- XRP Scenarios:
 - 1. XRP is building a platform that CBDCs will be able to be bridged onto the traditional banking system.
 - In this case, XRP could be the infrastructure that allows fiat money to travel on the blockchain and be traded bank to bank, institution to bank, and so forth.
 - CBDCs would be the representation of fiat currency around the world and would allow for fiat to come to life on the blockchain.
 - XRP would have to have a high value because it would be the infrastructure/railways to transfer all liquidity within the world.
 - 2. XRP will be world money:
 - If the price is set high enough it will function like a world reserve currency.
 - XRP could be the world's primary store of value that can maintain the world's global wealth.
 - This is similar to the scenario above, but it plays an even more crucial role because banks would need to work with XRP when it comes to any form of transaction.
 - This scenario would call for stablecoins:
 - Stablecoins are usually pegged one to one with fiat currency, though if fiat is going away it would have to be backed by gold or silver.
 - It could also be backed by a basket of commodities.
 - In this scenario XRP would be the world reserve currency and it would be backed by gold.
 - With these scenarios that could take place, it could be possible that if people do not get into XRP or some of these other crypto currencies that will be strong in the future, they will be stuck with a CBDC because they did not make the investment into the infrastructure that is building the system.