LISTING PRIMER

AUGUR

TICKER **REP**

LISTING DATE

29 OCT 2018

COIN LOGO



COIN CATEGORY

UTILITY TOKEN

RESEARCH ANALYST

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MARKET PRICE & CCDEX

REP	
USD	$14.77
KRW	₩16,848
JPY	¥1,654
CCDEX	**1811.85**

*As of 29 Oct 2018

Decentralized Prediction Market Platform based on Collective Intelligence

Prediction market facilitating prediction on any real-world event

On October 29, 2018, Coinone lists Augur (REP) on its BTC market and global exchange ("CGEX"). It is an Ethereum based dApp that enables users to create and trade in a market based on any real-world event. Users can make profit if they predict the correct outcome and lose money if not. Because it is decentralized, the platform doesn't need a trusted intermediary. Also, it allows global participation and has no restriction on what types of markets can be created. Augur was officially launched on the Ethereum mainnet in July 2018 and is currently preparing to release a new version of its protocol.

Improved credibility from decentralization

Trusted entity for verification of outcome and settlement is essential in the prediction market. However, traditional market intermediary is eliminated in Augur. Therefore, transparent and reliable process for market settlement is needed. There are four different market stages in Augur: creation, trading, reporting and settlement. First, anyone can create a market based on any upcoming event. Market participants can freely trade in the market until the event takes place. Once the market event occurs, outcome is finalized in the reporting stage. During this stage, REP holders can stake their token on certain outcome. The token is forfeited if they report outcome that doesn't match the consensus reached by the other reporters. Augur redistributes them to the REP holders that reported with the consensus. Therefore, REP holders are incentivized to stake their token on the correct outcome. Although token is not used for trading, staked token entitles holder to Augur's market fee. The market enters the finalized state if the tentative outcome is undisputed or fork is completed. Market participants can settle with market contract after paying settlement fees.

Preparing for its first major upgrade

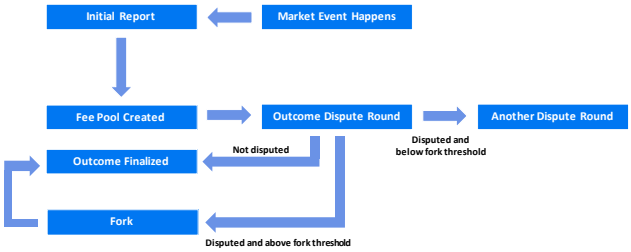
Augur was officially launched in July 2018. As of October 18, 2018, 1,305 markets were created and the total amount of funds in escrow across all Augur markets is US$1.2 million. Augur is planning to deploy second version of their protocol. DAI will be integrated into the new version for trading. The integration of the stable coin will reduce risk associated with token price volatility. Also, new system will be implemented for compensating reporters. Augur released details on v2 protocol in September with no set timeline.

Potential regulatory risk

Prediction market is often compared with gambling industry because of its nature of predicting future outcome for profit. In fact, previous market leader Intrade had a legal issue with the Commodity Futures Trading Commission. After the dispute, the platform could no longer serve U.S. customers and the trade value plunged. As a result, Intrade was closed in 2013. There is no law that regulates Augur now. Yet, continuous follow up with regulatory changes is highly recommended.

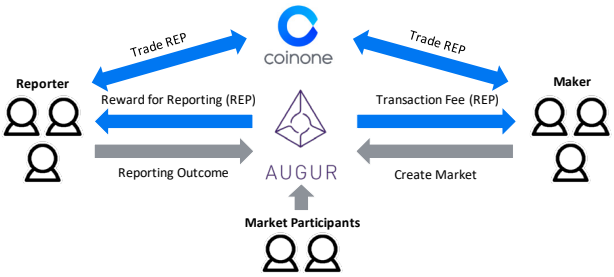
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Figure 1. Work flow



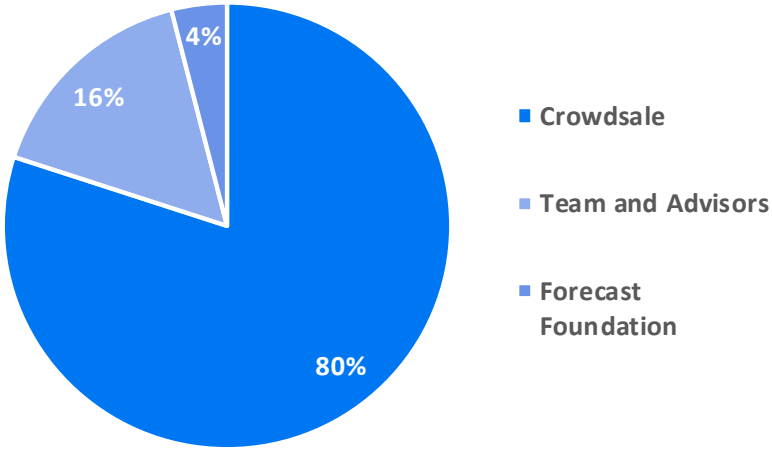
Source: Coinone Research

Figure 2. Economic value flow



Source: Coinone Research

Figure 3. Token sale distribution



Source: Coinone Research and Augur

Figure 4. Core team members

Name	Experience
Jack Peterson (Co-Founder)	Developed various biophysics & ecology programs UC San Francisco, Ph.D in Biophysics
Joey Krug (Co-Founder)	Co-CIO of Pantera Capital Co-Founder of Beam.io

Source: Coinone Research and various news sources

Research Analyst

Tony Kim

Tony is currently a Research Analyst at Coinone. Previously he was a manager at SparkLabs Accelerator and SparkLabs Global Ventures. He also held business development and strategy roles at startups in Korea. Tony holds a Bachelor of Commerce from University of Toronto.

Dan Kong

Dan is currently the Head of Research at Coinone. Before that, he was a senior Research Analyst at Deutsche Bank covering the telecom, media, and internet sectors. His team was highly ranked in the world's most competitive research survey, the Institutional Investor All-Asia Research Team Survey, including an Asia top 3 rank in 2016. Dan has a Bachelor of Business Administration from Korea University, and has also completed the Blockchain Strategy Programme executive education at Saïd Business School, University of Oxford. Dan holds professional designations including CAIA (Chartered Alternative Investment Analyst), Certified Research Analyst, and Registered Fund Manager.

Disclamer

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