Dec 2017

THE STERLING TIMES

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STERLING PRIVATE WEALTH

As we near the end of our 15th year of robust Business growth we reflect on both the path travelled and what the future holds, for our wonderful, vibrant nation, as well as our families and fortunes.

It has been a trying year politically, with dramatically increased civil demonstration, action and protestation against the now more apparent corruption and maladministration of our country's purses.

We wait with anticipation the results of the ANC elective conference later in December. This Sterling Times edition includes a guest piece by our Fund Research Partners, Fundhouse, dealing with the thought process, from a portfolio and investment perspective, in terms of the political framework.

As you are all very aware, Finance Minister Malusi Gigaba delivered the Medium-Term Budget Policy Statement on 25 October – and along with it, a frank assessment of headwinds facing the local economy.

More recently, fresh allegations of state capture have surfaced and the build-up to the ANC's Elective Conference has intensified. Understandably, many investors are worried.

We are mindful of approaching local markets with a reasonable degree of humility, given the wide range of potential outcomes. However, when you get caught up in prevailing concerns it is human nature to start seeing zero good. We are not inferring that there aren't any risks to investing in South Africa. We are cognizant of these and factor them into our investment decisions very carefully. However, taking black-and-white macro views when investing often results in unwise capital allocation.

While they may feel uncomfortable, conditions of fear and uncertainty typically present the best prospects for above-average long-term returns.

Model Portfolio Growth

Our Model Portfolios have shown good growth in assets over the year. These Models, both global and local, reflect our "house-view" where clients do not wish to build a bespoke position. They currently constitute around 10% of our client's assets, and continue to attract inflows on a consistent basis.

ABOVE-AVERAGE RETURNS ARE OBTAINED BY INVESTING BASED ON FACTS, NOT SENTIMENT

1

We have provided a Guest Article dealing with “Decumulation”, essentially the spending of wealth in retirement. We see, first hand, certain of our clients grappling with this issue, and thought it relevant to share thoughts on the matter.

2

James Guimaraens, one of our Directors, has put together a piece on Bitcoin and cryptocurrencies, which is worth reading.

3

We have furthermore, included an insightful article by the renowned JP Landman, unpacking our country’s demographics, and the impact on our future.

GOING FOR GOLD

We are very proud of Janet Hugo, Principal and Director of Sterling Private Clients, our Associate business, for being nominated as one of 3 Financial Planner of the Year Finalists.

She very narrowly missed out on the Financial Planner of the year award in the 2017 competition, which ended in October.

This year, in lieu of gifts to all our clients, Sterling Private Wealth will be donating funds to “Meals on Wheels”. Our support will assist them in providing a wonderful Christmas dinner to underprivileged senior citizens, so they can also enjoy the festive celebrations.

All of us at Sterling Private Wealth thank you once again for your loyalty and friendship over the past year. It is your continued support that has made this donation possible.

We wish you all a restful festive season with family and loved ones, and look forward to seeing you in the New Year.

Decumulation

Adapted from a piece by Kate Stannard

An associate returned from the recent CFA conference and raved about a talk by Meir Statman, Professor of Finance at Santa Clara University and author of Finance for Normal People. Statman is an expert in behavioural finance and advocates that to stay relevant in a Robo-Adviser world, an adviser needs to be a financial physician: “You have to build on your value-added, that human touch, that emotional intelligence, that role of a minister, of a priest, imam, rabbi, teacher. That is way more than just doing pie charts”. “You ask, you talk with your clients, you listen to them, truly listen. You empathize, you diagnose, you educate, you treat, and all over again, because they will forget what you have done for them”.

We are very interested in what Statman terms decumulation, or the post retirement phase of life. Statman sees wealth accumulation and decumulation as two sides of the same coin — it is just as important for an adviser to offer wise counsel on the spending of the wealth as it is on the building of the wealth.

Often the habits that make people great savers make them terrible spenders and can lead to a much less satisfying retirement. These behaviours need to be managed; and here are some of the key ways that one can do so, in Statman’s own words (taken from the Wall Street Journal):

Conscientiousness is a doubled-edged sword

“Conscientious people are likely to say they don’t buy things on impulse, or spend too much money, or buy things they don’t really need.

Conscientiousness is the personality trait most closely related to academic achievement, job performance, marital stability and longevity. Conscientious people accumulate more wealth than less conscientious people, even after accounting for differences in income, education and cognitive ability.

This all sounds great. And it is—until it collides with retirement.

Conscientiousness then threatens to keep people who have enough money to enjoy life from spending that money.

As one man wrote in a blog about retirement saving and spending: “I bought in early to the idea of saving for retirement over consumption, perhaps without really thinking much about it. Along the way...I became frugal. Changing now would be traumatic for me”. The lesson here is as difficult as it is obvious: We should beware of crossing the line from frugality to miserliness.

“The mental tools of framing and accounting help us accumulate savings during our working years. We frame money into distinct mental accounts of “capital” and “income,” and follow the rule of “spend income but don’t dip into capital”.

We set automatic transfers from our income mental accounts (wages and salary) to capital mental accounts.

“Yet these mental tools can backfire in retirement when it is time to spend. Think of a retired 65-year-old with a R 10 million stock portfolio. He needs an annual R400,000 in addition to pension benefits to maintain his standard of living. Assume he earns R 200 000 a year from a 2% dividend yield on his stocks, and R 200 000 a year from a 2% increase in the value of his stocks.

He can comfortably spend R 400 000 a year during 30 years of life expectancy (ignoring inflation).

But such spending requires crossing the boundary that separates income from capital mental accounts and dropping the rule against dipping into capital.

“Many retirees can’t cross that boundary. They thus spend much less than they can afford to, or they attempt to increase income, which means greater risk. They may buy high-yield bonds—which have a higher default rate—or stocks promising high dividends—which are concentrated industries, especially banking and utilities, raising risk by decreasing diversification.

Managing this behaviour, especially in a low-income environment is essential.

The pain of regret

“There’s another reason so many retirees find it difficult to draw on capital, however much they can afford to. It’s because spending capital—as opposed to income—increases the likelihood that they’ll suffer the searing pain of regret”.

“Compare John, who buys a laptop computer for R13 999 with dividends received today from shares of his stock, with Jane, who buys the same laptop today with R 13 999 in proceeds from the sale of shares of the same stock. Now suppose that the share price rises 3% tomorrow. Jane is much more likely to suffer the pain of regret because she chose to sell her shares”.

For John the company’s decision as to when to pay dividends was out of his hands.“Of course, Jane would feel pride if the shares’ price fell by 3% tomorrow rather than rose, but the pain of regret that accompanies a 3% loss exceeds the joy of pride that accompanies a 3% gain.

“To get around this emotional block, retirees should find alternative ways to tap their capital—ways that won’t burden them with the potential pain of bad choices. They could, for instance, set up a strict schedule of investment sales, such as at the end of each month, removing the responsibility for choosing the right times for sales”.

Don't try to beat the market

“A lot of people look ahead to retirement and think: I’ll have so much free time, I’ll finally be able to manage my investment portfolio and not pay somebody to do it”.

“Resist that temptation. For one thing, trading by amateur investors is akin to baking by amateur bakers: You’ll never bake a good loaf, because you’ll be opening the oven door every few minutes”.

The other set of numbers

By JP Landman, Political analyst

The numbers occupying centre stage now are which candidates are nominated by how many branches in the ANC leadership contest. That can tell us what will happen in December at the ANC's elective conference.

In the meantime, however, we can take a breather from politics and look at a separate set of numbers: basic demographic data. That is arguably as important for our future as the nomination numbers. As the old saying goes, "demography is destiny".

Stats SA released the annual mid-year population estimates a while ago. What makes this year's estimate particularly interesting is that it includes a 15-year review – from 2002 to 2017 – of all available data on fertility rates.

FERTILITY IS THE MOST IMPORTANT DRIVER OF POPULATION GROWTH, SO GETTING THAT NUMBER RIGHT IS IMPORTANT. THE OTHER TWO DRIVERS ARE MIGRATION AND MORTALITY.

Fertility

The number of children per woman in 2017 came to 2.41. Ten years ago, in 2007 it was 2.73. Looking back further to the 1970s, it was 5.8. In the 1950s it was 6.4! (Very few women today would have 6 and more children!) The decline in fertility since the 1950s and even 1970s has been truly significant.

In 2003 the global replacement level at which a population will remain constant was about 2.33 (it varies between developed and developing countries). At 2.41 SA is not far away from the replacement level of fertility.

(So much then for the argument that social grants encourage more births – fertility has declined despite the introduction and massive expansion of social grants.)

Urbanisation, access to basic education and medical services, access to the labour market and changing perceptions about women, work and their place in society all play a role in determining fertility.

Mortality

The second driver of population growth is mortality.

The infant mortality rate has declined from 48.1 per 1 000 children under the age of one year in 2002 to 32.8 in 2017 – an improvement of more than 30%.

The under-5 mortality rate has declined from 71.3 per 1 000 in 2002 to 42.4 in 2017 – an improvement of 40%.

The crude death rate decreased from 13.4 per 1 000 in 2002 to 9 – an improvement of almost 33%.

Collectively these are significant decreases in mortality.

These improvements are an indication that despite the public health system creaking under the load of numbers, inefficiency and corruption, significant progress have been achieved.

Life expectancy

Because of lower mortality, life expectancy has increased from an average of 55 years (53 for males and 57 for females) in 2002 to 64 years now (61 for males and 67 for females).

The corollary of the success of programs to prevent mother-to-child transmission and promote access to antiretroviral treatment, is that the proportion of the population living with Aids increased to 12.6% from 10.9% in 2002.

People live longer.

The total number of people with HIV is now estimated to be just over 7 million.

Migration

The third driver of demography is migration. Stats SA assumes a net migration into the country of more than two hundred thousand people per year – or about one person every 2.6 minutes.

Back in the 1990s there was one immigrant only every 21 minutes. SA is an attractive destination for particularly Black African, but also Indian immigrants.

Many skilled and unskilled people from Zimbabwe, Nigeria, East Africa and elsewhere have moved to SA. Emigration, in contrast, is largely by Whites.

Population growth

The upshot of all the above is that in 2017 population growth is estimated to be 1.61%.

This is sharply down on the 2.5% p.a. recorded over the 50 years between the Second World War and the first census of democratic SA in 1996.

If we go further back, to the first census of the Union of SA in 1911, population growth over the 106 years since then averaged 2.14% p.a. The current 1.61% is a substantially lower than we had in the past.

(If the differences seem small and you think I am just splitting hairs: R100 invested in 1911 at 2.14% would now be R946 – invested at 1.61% it would only be R544, a difference of 74%! Ditto population growth. Small differences compound.)

As far as population growth goes, SA has indeed made the transition from a developing to a developed country.

Demographic transition and dividend

The combination of lower fertility and declining mortality is known as the "demographic transition". SA has now clearly experienced that.

Everything else being equal the "transition" should result in a "demographic dividend". The age structure of the population changes and there are more working age people that can "carry" the non-working age people; or in the jargon, there are fewer dependants per income earner.

Higher consumption and investment then become possible, leading to higher economic growth.

The working age people can of course only carry the non-working age people if they indeed have some income. That is the trick.

There is a misconception amongst some that the mere presence of a large youth cohort in the population automatically constitutes a demographic dividend and higher growth. Common sense tells one that cannot be correct. It is only a dividend if that youth cohort can earn a living. Otherwise it is more a demographic time bomb.

Reaping the dividend

The 1.61% population growth creates a window of opportunity for SA. Growth only needs to be about 2.8% per year to increase incomes by 1.2% a year – the number at which SA has increased per capita income for 70 years.

Yet since 2014 economic growth only averaged 1.1% p.a. and per capita income is now 1.1% lower than 3 years ago. So, no dividend.

IT SHOULD BE NO SURPRISE THEN THAT STATS SA'S POVERTY REPORT REVEALS THAT THE PERCENTAGE OF CITIZENS LIVING IN POVERTY INCREASED FROM 53.2% IN 2011 TO 55.5% IN 2015; THAT IS 3.1 MILLION MORE PEOPLE NOW LIVING IN POVERTY.

(The 55.5% is still a meaningful improvement on 2006 when 66.6% of the population lived in poverty.) But the deterioration since 2011 confirms that there has been no dividend.

It is all about politics

Economic growth would have to be returned to 3% and more to capitalise on the demographic transition and generate a dividend. That in turn depends very much on politics and brings us full circle back to how the ANC branches will nominate and who will get elected in December!

So What?

• Demography is driven by fertility, mortality and migration.

• Fertility has declined to 2.43 children per female – not far above the 2.33 replacement level.

• Mortality has improved substantially and so has life expectancy, from 55 to 64 years.

• Population growth is now down to 1.61% p.a.

• Between lower fertility and mortality, SA has undergone a demographic transition.

• However, the much-vaunted demographic dividend that should flow from a transition has so far escaped the country because growth is too low and unemployment too high. In fact, poverty has worsened.

• Getting the economy growing sufficiently again will require a substantial change and re-focusing in our politics.

Addendum

The mid-year population review also gives the population per province. It is interesting to compare that with the ANC provincial membership numbers on which the Policy Conference was constituted in July this year. The divergences are striking.

Politics and Uncertainty

by Fundhouse, Sterling Private Wealth Model Portfolio Partners

In December, delegates will come together for the 54th ANC National Conference during which new officials will be elected to lead the party for the next five years. This is a contentious issue, because the president of the ANC will almost certainly become the next president of the nation in 2019, or earlier. Although there are several comrades battling it out for the seat at the head of the table, this is really a race between Cyril Ramaphosa and Nkosazana Dlamini-Zuma.

The elective conference concerns investors for three primary reasons: Firstly, this election is a break from tradition. The deputy president of the ANC is generally expected to become the president, as has been the case in the past. Given Dlamini-Zuma's support from various senior leaders in the ANC, this is no longer guaranteed.

Secondly, the market impact of the outcome is binary – it's one or the other. There are two broad factions in the ANC at the moment: the modernists and the traditionalists, where Ramaphosa is representative of the former and Dlamini-Zuma of the latter.

The modernists are generally viewed by the market as more progressive, moderate and business friendly. In contrast, the traditionalists are less favoured by the market because of their perceived preference to maintain the status quo.

The two outcomes appear to have little overlap, which makes it binary. Thirdly, following Brexit and Trump's presidential win last year, it's become clear that unexpected outcomes can't be ignored, and that the probability and impact of each should be carefully considered. Here, the probability of either is frustratingly opaque.

So, how do we look at portfolio positioning when the market faces a major political event with a binary, yet highly disparate outcome?

Politics and Portfolio Positioning

While a market friendly political dispensation might buy us some time, weak economic indicators have increased the likelihood of a downgrade to the extent that we consider it the base case scenario – regardless of the outcome in December.

Finance Minister Malusi Gigaba recently released his first Medium Term Budget Policy Statement (MTBPS), which painted a refreshingly honest, yet depressing picture of the country's finances: Economic growth projections (which government revenue is dependent on) for the next few years were effectively halved, while government expenditure is expected to increase by over 7% per year over the next three years. Consequently, the revenue shortfall is expected to rise to R90 billion by 2020/21 (from R50 billion in 2017), pushing government debt to GDP out to 61%, from 50% in 2017. Ratings agencies have, understandably, responded negatively to the statement.

Fund managers differ on the degree to which a downgrade is priced into the market, with some even arguing that it's fully priced in. Since the MTBPS, bond yields have risen from 8.6% to over 9.3% and the Rand weakened to over 14.30 to the US Dollar, from 13.30 ten days before the statement.

The All Share Index has never been higher, as the Rand hedge stocks responded well to the weakening Rand. If a downgrade in our debt ratings is only partially reflected in bond prices given what's happened after the MTBPS, we should expect yields to rise and the Rand to depreciate further if our debt is officially downgraded.

Both Ramaphosa and Dlamini-Zuma are part of the same institution (the ANC), so the elective outcome therefore has less to do with the individuals themselves and more to do with the broader groups they represent.

Suppose then the following two scenarios:

Scenario 1 sees the Ramaphosa-led modernists take over in December.

Scenario 2 is where the Dlamini-Zuma traditionalist camp wins.

Our assessment is that there is strong support for both candidates but that it's unclear at this stage who will take over the reins in December. Therefore, a prudent way to look at this is probably to meet somewhere in the middle, so to assign a 50/50 probability to either scenario.

- Assess the probability of outcomes
- Face the realities
- Measure the magnitude of outcomes

We would expect the outcome of the election to have the largest impact on bond yields and the currency. Bond yields are driven by the trust investors place in the ability of the bond issuer to repay the outstanding debt. If the risk of default rises, investors demand higher yields in compensation. Importantly, bond yields and prices are inversely related, so as yields increase, bond prices fall.

The value of the Rand is determined by the supply and demand interaction in relation to another currency. Financial flows out of the country for example increases the supply of Rands relative to say US Dollars, causing depreciation.

So, let's consider the market impact of our best-case and worst-case scenarios.

In Scenario 1, the market reacts positively to a Ramaphosa win and to the expectation that things will improve. We would expect bond yields to decline, the currency to strengthen (resulting in Rand-hedged equities declining) and domestically exposed equities rally.

While this would be good for economic growth over the longer term, the short-term impact on portfolios is likely to be negative, given the Rand strength impact on offshore assets and Rand-hedged equities.

In Scenario 2, the markets are expected to react poorly to a Dlamini-Zuma win, because of the expectation that there will be less positive change, and more of the same. This results in higher yields, a weaker currency (boosting offshore holdings and Rand-hedge equities), and less support for domestic equities.

Again, while this would be seen as negative for economic growth over time, we would expect it to be positive for portfolios in the short term as the weakening rand results in offshore assets and the Rand-hedged equities running.

While we have assumed that both scenarios are equally likely and that the typical market reaction will be different directionally, we don't expect the impact of either scenario to necessarily be equal in magnitude. Consider bonds for example. Bond prices in South Africa have been artificially propped up by foreign investors this year, as part of a broader search for higher yields in emerging markets, given the low yields prevailing in developed markets.

This pushed bond prices into mildly expensive territory. Post the MTBPS, yields rose resulting in a fall in bond prices closer to fair value. If Nenegate is anything to go by, markets react more to bad news than it does to good news. The big question is how much of the downgrade is priced in when considering the impact of either scenario on bond prices.

Incorporate views into portfolio positioning

Although the probability of either scenario is equally likely, the risks remain to the downside in our opinion. Portfolios are therefore positioned as though Scenario 2 is more likely to occur. In a low growth environment, with high systemic risks and an asymmetric payoff profile biased to the downside, our portfolios are positioned to protect against capital loss, instead of allocating to growth assets (like equity and property) where they provide less compensation for the risk taken.

Practically, this is implemented by maintaining a well-diversified portfolio, with an overweight exposure to offshore assets (to protect against Rand depreciation), an underweight exposure to bonds (to protect against capital losses as yields rise) and an underweight position to local growth assets like property and equity.

The argument for equities is slightly different. Equities have been relatively expensive for a while now, but in contrast to the bond markets, it has rallied since the MTBPS, with the index reaching an all-time high of 60,000 on November 6th. Most of this performance was carried by the Rand-hedge industrial stocks and the commodity producers that earn revenue offshore, and therefore benefitted from the currency depreciation.

These share prices will likely be supported by continued Rand depreciation. Shares that are inextricably linked to the South African economy for their earnings - think banks, retailers and most property counters - will feel continued pressure if the current economic situation continues or deteriorates.

BITCOIN and CRYPTOCURRENCIES

By James Guimaraens, Director, Sterling Private Wealth

A Fad, or the Future?

When an elderly client with limited technological prowess asks about Bitcoin, I know it's time to address the issue! I must emphasise upfront that this article is written to provide a very basic introduction based on my own very limited knowledge, and in a format that makes sense to those of us used to the more traditional types of investing.

It may be foolish to dismiss Bitcoins and cryptocurrencies as a short-term fad, a pyramid scheme, an epic con designed to trick people out of their hard-earned money.

To do so simply highlights a level of naivety and ignorance that implies complete disregard for the incredible rate of technological progression, and the associated potential disruption of numerous established global industries.

Is it a bubble, waiting to pop? Probably. It is similarly foolish to invest in something about which you know nothing beyond what your friend or colleague has told you.

It's called gambling, not investing. And at some point in the current cycle of cryptocurrencies, many people will probably lose a lot of money.

What are Bitcoins?

Bitcoins started life as tokens, or online credits, used by online gamers during their gaming sessions. Cryptocurrency is a term that confuses the issue. They are tokens, and their value is purely determined by what other participants are prepared to pay for them. Bitcoins are not revolutionary, but the underlying technology is! Don’t confuse the two issues.

BlockChain Technology

BlockChain technology is the underlying programming code that Bitcoin and other crypto-currencies (tokens!) use in order to function. It is revolutionary in how data/information/code is stored and processed because it uses multiple servers and computers to store small pieces of the information.

Think of it as a puzzle. Currently, data is stored on one server, for example a company’s client database. If that server is hacked, the database can be stolen. BlockChain technology means that instead of the entire puzzle (data) being stored in one location, the individual pieces of the puzzle are stored on a multitude of computers and servers around the world. If you hack into one of them, you only have one piece of the puzzle. The data is useless. BlockChain technology is revolutionary, not evolutionary.

What are cryptocurrencies?

Since the establishment of Bitcoin, there has been a proliferation of cryptocurrencies. There are now over 1,000 different types of cryptocurrencies, and growing.

Simply put, in investing terms, a cryptocurrency is actually like a share of a company, but issued on a cryptocurrency exchange instead of a stock exchange. Each different cryptocurrency represents a person or business who is trying to develop block-chain technology into something that is actually commercially viable and useable in commerce.

Technology has no value if it can’t perform work and generate financial value. BlockChain technology currently is not in a format which is useable on a large scale, more cost-effective, and faster, than existing technologies.

The crypto-currencies (shares) can only be bought on cryptocurrency exchanges, and you have to use Bitcoins to buy them. You can’t use a normal currency. Herein lies the key. Bitcoins now have a value, because you must first buy a Bitcoin, in order to then start buying and trading in other cryptocurrencies. Bitcoin is now the trading currency for the cryptocurrency industry.

Crypocurrencies and Regulation

Cryptocurrencies exists only in the online world, and not in the physical world. This puts them out of reach of central banks, regulators and other watchdogs. Bitcoin is seen as the founding token, and is accepted as a store of value, with which you can trade. It is therefore the first electronic "currency", making it the first independent, global currency.

It has no physical form, existing only though unique online software code which gives it the attribute of limited supply, something alien to the online world until now.

Bitcoin can therefore be used theoretically as a global transactional currency, with huge potential benefits in terms of the efficiency of global financial markets, payment for goods and services, protection against fraud, and broadening the scope of who can access 'foreign currency' by lowering the cost of access to anyone with an internet connection.

As these cryptocurrencies by design have no traditional central bank to exert control, they are maintained and administered by the market which trades in them – a group of buyers, sellers and 'miners'. New cryptocurrency 'coins' are created through a process called mining which is essentially the use of specialised software to break computer codes. As the codes are broken, coins are created. This attempts to replicate the same mechanism as mining for gold, also a scarce commodity.

A completely transparent and publically available set of accounting records (the blockchain) ensures that all transactions ever conducted in bitcoins are publicly recorded, reconciled and verified.

The only problem is that the underlying technology is proving to be too slow for the processing of large volumes of small transactional amounts, which is why there has been an explosion of new developers, all competing to offer a different take on the founding technology.

These are the "crypto-currencies" or "shares" I have spoken of. They represent the development and evolution of the underlying software, into formats for specific commercial applications.

Should I Invest?

First decide if you are investing, or gambling. You can only invest if you have researched the industry, understand the multitude of different cryptocurrencies, and have a clear investment strategy which includes entry and exit price points. 99% of investors don't, so they are gambling.

This is the real danger, for the majority are simply a herd of speculators, and therefore current cryptocurrency values are underpinned by demand from gamblers.

When they become sellers, there is no underpin to the value. You don't own shares in a company, with assets, cashflow, dividends, and financial statements. How do you value what the token actually represents?

You can gamble if you accept that you could lose every cent you put in.

Tax Implications

I suspect that the majority of crypto-currency traders have a dangerous gung-ho arrogance in their dismissal of the tax implications, and when tax authorities around the globe start tracing trading accounts, the penalties and financial implications will be calamitous for many.

Our own SARS has already issued a practice note on the taxation of crypto-currencies. SARS does not view it as a currency (where fluctuations are not taxed) but as a simple store of value like any share, property or financial instrument. Therefore, if you make any profit, you will be liable for either income tax or capital gains tax, using the same criteria for shares. This must be declared by the end of the tax year, with your provisional tax submission.

Most investors and gamblers in cryptocurrencies are facing some very difficult tax problems down the road if they do not keep accurate transaction records, and avoid reporting their trading profits to the tax authorities.

Conclusion

Bitcoin and cryptocurrencies are a revolutionary technology, and their meteoric rise has stimulated an incredible amount of excitement and innovation in the industry. It is also causing established technology role-players to review how current software and systems operate, and how these can be improved. Any competition is good competition.

Has the meteoric rise in cryptocurrencies created a bubble, waiting to burst? Probably. Like anything else in life, if you dabble with no knowledge of what you are doing, you are gambling, pure and simple.