The NuBits Ecosystem : Voting, Parking, Liquidity And Where To Get Some NBT

NUBITS - THE WORLD'S FIRST STABLE DIGITAL CURRENCY - Today is the day on which we will look at the NuBits whitepaper, process map and FAQ.

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A few weeks ago, we published a small article about NuBits, which you can find here. At the end of that article, we mentioned there would be a more in-depth look following by the end of the week.Due to unforeseen circumstances, that article was delayed by several months. Today is the day on which we will look at the NuBits whitepaper, process map and FAQ.

NUBITS : INTRODUCTION

Nu solves a critical flaw which can be found in both the Bitcoin Network and THE Peercoin network. Whereas both networks allow the purchase of units which function like shares, it also brings a lot of volatility to the network and the price of these units. In fact, some people have argued how volatility could end the high liquidity which accompanies widespread adoption of these digital currencies.

The World' First Stable Digital Currency

Like the Kangaroo, so is CCEDK always moving forward progressively! The Kangaroo takes big jumps, so does CCEDK in terms of development!

Both Peercoin and Bitcoin use the same fungible unit for share and currency functions, which makes it impossible to accommodate both the capacity to appreciate shares and keeping the currency value at the same time.

Nu gives NuShares holders the ability to control the quantity of NuBits without depending on any off

blockchain mechanisms. Let's say NuShares holders vote to create more NuBits, then it will be done exactly so. However, the additional coins will be placed in the custody of a recipient chosen by shareholders.

Such decisions are not limited to just one custodian either, as there can be as many custodians as the shareholders feel are required. These custodians can use pseudonyms to mask their real identity, and can be replaced if shareholders feel the need to do so. All of which aids in protecting the network from being controlled by third parties levelling threats against custodians.

When NuBits are created and sold, they

NuBits/NuShares Process Map

can be used by custodians for Nu operating expenses and dividends. There is a twist to these dividends however, as they will be paid on Peercoins, and not in NuBits. As a result, custodians have to purchase PPC in order to distribute them. Therefore, as more dividends are paid out by Nu, the demand for Peercoin will increase accordingly.

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As everyone knows, only a stable currency can ensure growth long-term, and this is what NuBits is all about, adding NuShares to this equation you have an interesting cocktail of greatness in progress
*Ronny Boesing, CEO,*
CCEDK APS

However, the number of NuBits in circulation can be reduced through a system called "parking". When NBT are parked, coin holders volunteer to take their currency out of circulation for a period of time in exchange for a monetary incentive. You could compare this system to extending a loan to someone, and expect the full amount plus interest to be returned to you after x amount of days.

NuShares holders can determine the amount of interest to be paid on "parked" NuBits by casting their vote on the appropriate yield curve. In order to keep the demand for NuBits at a stable level, shareholders can create synthetic demand by offering increased interest rates on "parked" NBT,

countering any potential decline in organic demand.

You may recall how NuBits is working hard to keep their price stable as the US$1.00 mark. Custodians are maintaining massive sell walls at the one USD mark, in order to suppress the value from going over that specific threshold. On the other hand, other shareholders are supporting the one USD mark by creating synthetic demand due to the interest rates offered on "parked" NuBits.

Regardless of how you look at the situation, selling below one USD is always a losing trade, and buying NuBits below one USD is always a winning trade. NuBits is definitely not a coin for cryptocurrency speculators, but there is still room to make money off other people's mistakes.
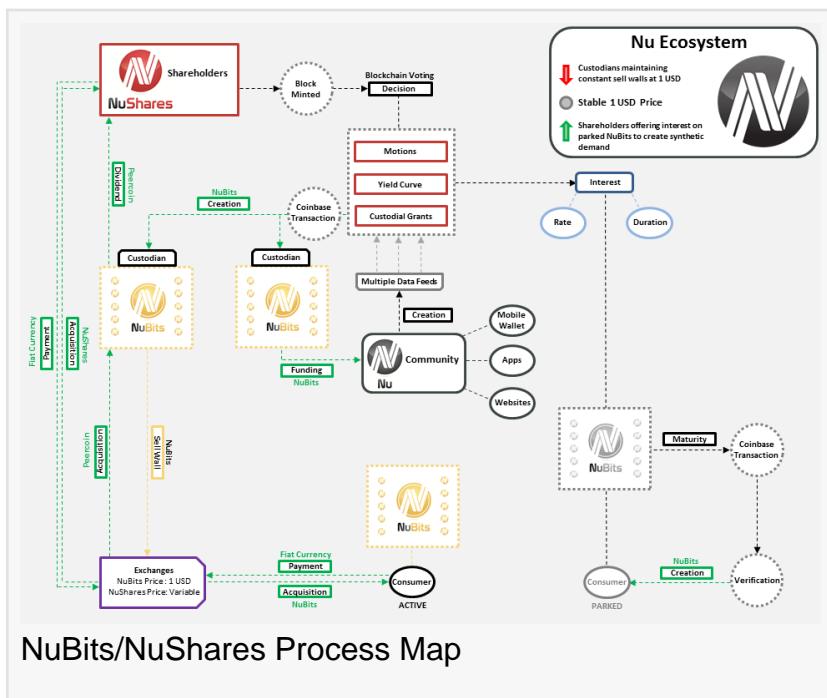
NUBITS : VOTING

I referenced to the fact NuShares holders have voting rights several times already. Every time a shareholder mints a block, they get voting privileges, which can be configured manually through the Nu client. These votes will then be placed on the blockchain in a coinstake transaction.

Shareholders can cast three different types of votes :

Custodial grants of NuBits : if a custodian is promising dividends to shareholders, a shareholder could vote to grant the custodian an amount of NuBits.

Yield curve for parked NuBits : shareholders can cast variable interest rates depending on the time period the NBT will be parked for.

Motions : As motions cannot be enforced by the protocol, the protocol only records votes and check if a motion has passed. The final responsibility to implement the passed motion lies with the shareholders.

NUBITS : PARKING

As mentioned before, the parking of NuBits can be compared to leveraging interest rates on a loan provided to another user. However, there is a difference, as a NBT holder volunteers to have their coins to have all of the outputs associated with a particular address placed in a parking transaction. In exchange, this user will receive a promise from the network to receive a certain amount of NBT when the funds is unparked.

This is where NuBits is quite unique, as a coinbase transaction paying the interest is created automatically by the client. Clients receiving this coinbase transaction will verify whether or not it corresponds to an interest payment which is owed, but not yet paid. Furthermore, parked NuBits will be automatically restored to a user-configurable address.

PROVIDING LIQUIDITY

There is a lot of detailed information in the NuBits whitepaper that we are leaving out on purpose, but one of the main aspect is how liquidity is provided. In order to provide maximum decentralization , every organization or individual providing liquidity has to be a custodian. To put it in simple terms : the goal is to ensure all Nu clients are aware of the size of both the buy and sell liquidity pool at all times, without relying on some sort of centralized (infra-) structure.

All of this is achieved through the implementation is a method called "liquidityinfo", which is RPC call. The liquidityinfo method "forces" the Nu client to propagate the order information from the entire network of Nu clients. Information passed through liquidityinfo is transmitted to all connected peers, similar to how regular digital currency transactions are broadcasted to all clients on the network.

NUBITS/NUSHARES PROCESS MAP

All of the above sounds very technical, and not all of it can be digested in one ago. In order to make things a bit easier, the Nu developers have put together a process map which gives us a visual representation of the Nu network. However, I do recommend you take your time to read through the NuBits whitepaper as well, as there is a lot of useful information which we have not talked about just yet.

OBTAINING NUBITS

After reading all of this, there is one major question left to answer : where can you get your hands on some NBT? Several exchanges have a Nubits trading pair, but one of the more versatile exchanges in that regard is the Danish CCEDK exchange, owned by our friend Ronny Boesing. In fact, NuBits has its own trading market on the CCEDK exchange as it can be traded against the following currencies :

Fiat currencies : EUR - https://www.ccedk.com/nbt-eur   /   USD - https://www.ccedk.com/nbt-usd

Bitcoin - https://www.ccedk.com/nbt-btc

Peercoin - https://www.ccedk.com/nsr-ppc

NuShares - https://www.ccedk.com/nsr-nbt

"CCEDK is the only exchange with 4 NBT trading pairs : NBT/BTC, NBT/PPC, NBT/USD, NBT/EUR and we are right now working on implementing NBT/CNY to satisfy the increasing interest from the Chinese market. So far, we have recruited two Chinese staff members to support in terms of service and constant questions. Furthermore, we have added [the] Chinese [language] as one of 16 language interfaces already up and running on CCEDK,"Ronny Boesing told CryptoArticles.

To learn more about NuBits, make sure to check the following sources :

www.nubits.com http://discuss.nubits.com/

https://www.ccedk.com/nbt-btc#

About CCEDK APS: www.CCEDK.com is an online Bitcoin exchange based in Denmark, part of the EU. CCEDK offers buy and sell options for digital currencies in a secure environment on the base of 2FA. They offer anonymous trading of some 85+ crypto pairs based on Bitcoin, Litecoin, Peercoin, Nextcoin, NuBits, NuShares, Dogecoin, Bitmark, Blackcoin, Darkcoin, Reddcoin, Fimkrypto and Bitshares as well as a 50+ Fiat pairs with validation. Payment options are SEPA, instant payment with Online Bank Transfer in EUR and GBP, SWIFT in USD, EUR a.m., and Payeer deposits and withdrawals in USD, EUR, RUR and UAH. Instant-Crypto-to-Bitcoin of 13 altcoins also available via CCEDK partner site www.CCPAYT.com

It might also be of interest to read some more articles of JP Buntix regarding CCEDK, among others the one about NuShares, the newest hit in digital assets as investment for the cryto currency speculator:

http://www.cryptoarticles.com/crypto-news/nubits-the-worlds-first-stable-digital-currency

http://www.cryptoarticles.com/crypto-news/nushares-the-digital-asset-for-the-cryptocurrency-speculator

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http://www.cryptoarticles.com/crypto-news/darkcoin-now-trading-on-ccedk-europes-most-secure-exchange-

http://www.cryptoarticles.com/crypto-news/crypto-20-blackcoin-listing-on-ccedk-exchange-to-boost-fiat-trading-worldwide-with-both-eur-and-usd

http://www.cryptoarticles.com/crypto-news/the-danish-exchange-ccedk-to-continue-progress-by-adding-crypto-20-blackcoin

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