

Profitable INVESTING Tips

Stock Market Investing Tips, Techniques, and Resources



Problems With NFT Investments

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Non fungible tokens are an exciting new investment opportunity tied to the cryptocurrency realm. These unique investments offer tidy profits but the wise investor needs to be wary of problems with NFT investments as well. Part of the problem lies at the heart of why many find cryptocurrencies so attractive and useful, its decentralized nature and lack of a central governing authority. Unfortunately, when you have been swindled in the NFT realm there is no central authority to rectify the matter.

NFTs Are Easy to Copy

When you are considering paying \$2.9 million for a painting you can see it, touch it, and have it appraised by an art expert for authenticity. If someone wants to copy a painting by one of the old masters, they do not only need the skill to create an identical painting. They need to come up with canvas and paints that carbon date back to the era when the original was produced. Because NFTs are digital entities they can be copied with a keystroke. They are, in fact, identical to the original. Then, who is to say which is the real NFT and which is the copy.

Copies Are As Good As Originals

When someone pays millions for a collectible like a Honus Wagner, Ty Cobb, Hank, Aaron, or Babe Ruth rookie baseball card there is a pride of ownership and a sense of being connected to the greats of American baseball. The person also has something that is difficult if not impossible to copy. Not only are NFTs easy to copy but the copy is the same as the original and available for the world to see on the internet. That fact diminishes the resale potential for many would-be buyers.

Online Market Closed to NFTs

Reuters reported that an online platform that sold an NFT of the first tweet by Jack Dorsey as stepped away from the NFT market. The problem as stated by the owner of the platform was not that exact copies of NFTs are available but that such copies were being sold as originals. So-called [wash trading, counterfeits, and scams](#) have emerged in the NFT realm. The online market Cent was the one that sold Twitter CEO Jack Dorsey's first tweet and they no longer allow NFT trading. The three issues they are concerned about include sales of sets of NFTs resembling securities, NFTs of copyright content, and simple sales of copied NFTs claimed to be owned by the seller. The platform reported that they first banned accounts when they spotted suspicious activity but the same individuals simply opened new accounts under different names.

Protecting Your NFT Investment

Some people collect things for the sheer joy of it. Owning a rare coin, work of art, or an NFT depicting a unique event can be fulfilling and an end in itself. But, if your goal in NFT investments is to make money, you need to know that someone will not plagiarize your NFT and destroy your investment. Coin Telegraph offers useful advice about how to [protect digital artwork](#) and other NFTs. First of all, too many artists share their work online with friends and relatives as soon as it is finished and before it has been protected. An artist can add a digital watermark to their artwork and provide the code to unlock it as a separate item once a sale has been finalized. Likewise, code can be added to any sort of NFT that will make clear it is not the original if it is copied. This sort of protection can be a bit of a fuss but will be worth it when it preserves the value of our investment over time.

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