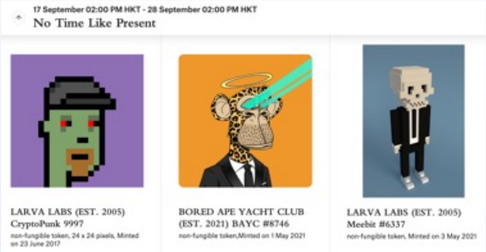
Crafting Finance

A universal synthetic asset issuance and trading protocol

NFT is booming these days, but the top ones are too expensive to be collected



Christie's Hong Kong is the First to Auction Crypto punk / BAYC / Meebits

Visa Bought a $150,000 Crypto Punk for Its Corporate Collection

Sotheby's auction for BAYC & BACK in 2-9 September

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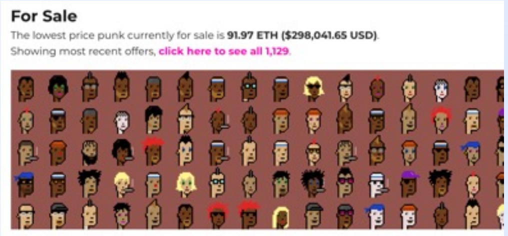
39 ETH Floor price

355 ETH Floor price

92 ETH Floor price

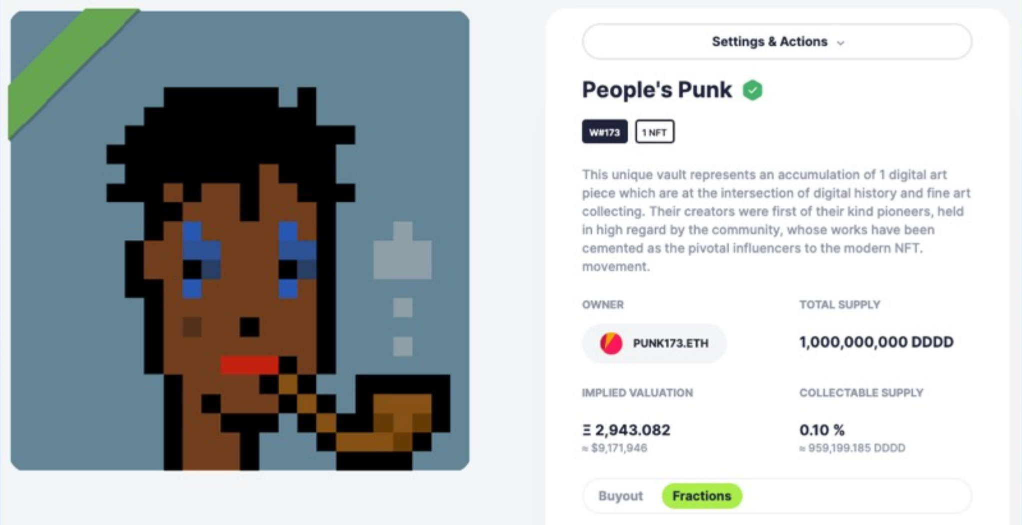


1. Christie's ;Opensea.io

Crafting Finance

Synthetic fraction assets is a good way for NFT investments…

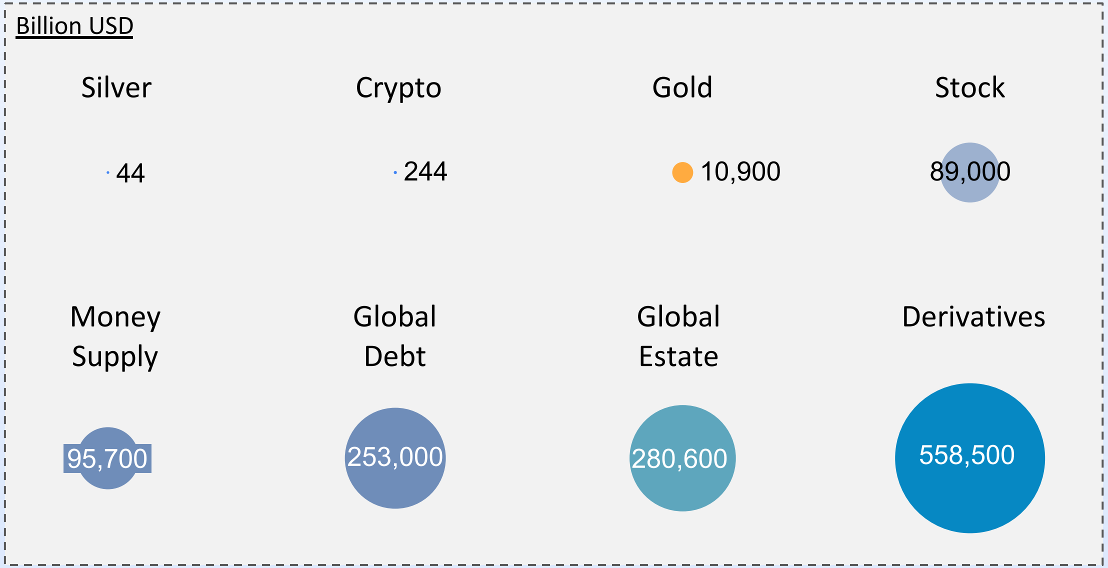
<u>Users could use Synthetic Fraction Assets to invest into the top NFT arts</u>



Crafting Finance

…And Synthetic asset will dominate the traditional financial & crypto FT market

Asset's market-cap comparison[1]



Synthetic asset have great potential

Defi is about to tokenize the important assets and make it tradeable on blockchain

Synthetic asset is a smart invention for different kinds of assets such as **stock/debt** and **derivatives** to be traded distributed

The potential market cap for tokenized stock/debt/derivatives is **thousands times** over current crypto market

1. Visualcaptalist.com

Crafting Finance

Crafting is a protocol for forging and trading Rafts, which also support NFT fractions

Rafts

The different kinds of synthetic assets in the Crafting finance

Forge

Synthetic Assets Forge to produce Rafts, the different kinds of Rafts are:

NFTRaft The fractions of NFT assets, could be minted by any one who has NFTs, support ERC721 and ERC1155

Raft Simple synthetic assets , can be cryptocurrencies such as rBTC and rETH, stocks such as rAAPL, gold such as rXAU and any real-world assets

RaftStable Stablecoins such as rUSD and rEuro

BondRaft Synthetic bonds are synthetic assets paying interest issued by the system

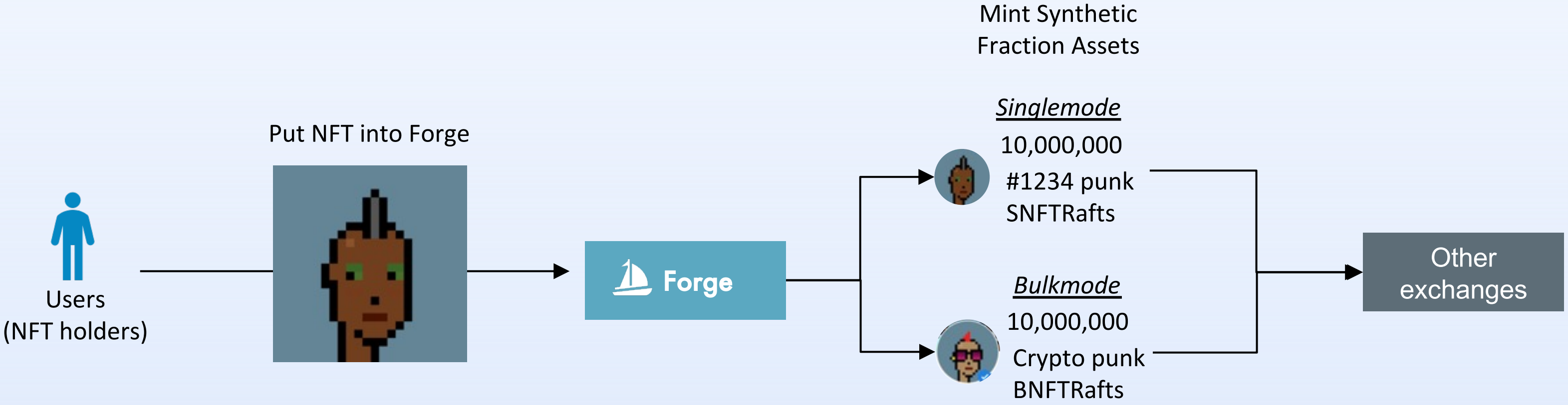
UnivRaft Custom synthetic assets means that users can issue any kind of a financial contract through this system. By this way, we can stimulate any financial derivatives and include the whole world's assets

Kingsman

Raft Synthetic Assets Trading DEX

Kingsman An exchange based on SDP , which provides conversion of different synthetic assets and contract trading. Due to the design characteristics of CF, this DEX does not require a counterparty, and there is no issue of transaction depth

Structure of the NFT fraction issuances

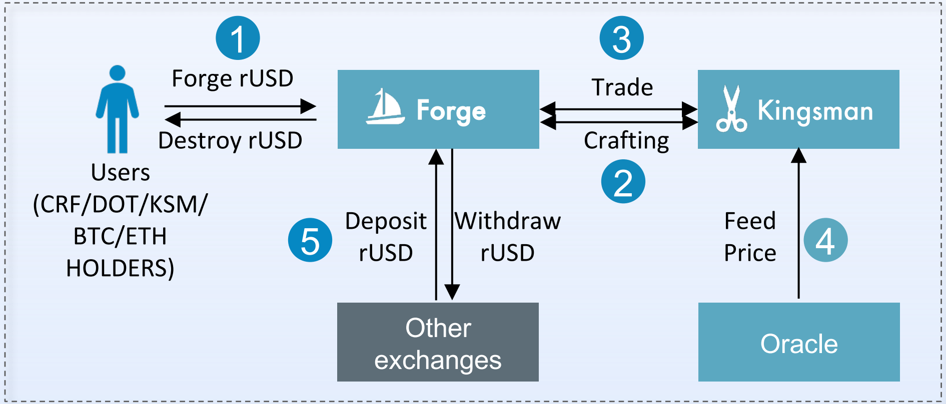


User could put any ERC721/ERC1155 tokens into the forge, and then choose the mode to mint the NFTRafts:

- Singlemode, which suggested to be used for the rare NFTs, the user could set the name/initial price/amount of the tokens. After the mint of the SNFTRafts, the NFT will be locked into the Forge-SNFT-Vault. The NFT will be unlocked only if any user buyout it.
- Bulkmode, which suggested to be used for the common NFTs. The NFT will be minted to the collection-BNFTRafts, which name/amount will be fixed. Users who hodl enough BNFTRafts could redeem the NFTs locked in the Forge-BNFT-Vault, and the redeemed NFT will be randomly chosen.

1, Details can be found in the whitepaper

Structure of the other Synthetic assets issuance



1 Forging

User use CRF/DOT/KSM/BTC/ETH as collateral to forge different kinds of Rafts in Forge, the collateral rate is different for each kinds of token[1]

2 Crafting

User could choose whether to craft into the SDP, the choice led to long or short the other assets in SDP

3 Trading

User who got Rafts could trade in Kingsman, which will offer low slippage liquidity

4 Oracle

Oracle is important for the Crafting finance, Crafting finance will use different solutions to ensure the stable

5 Other exchanges

User could also exchange Rafts on other exchanges such as Uniswap

1, Details can be found in the whitepaper

Appendix - SDP[1] is a flexible trading mode for diversiform synthetic assets

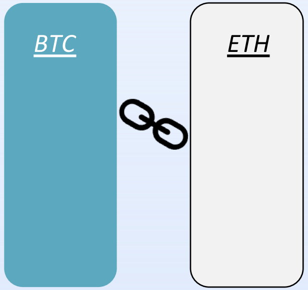
Order Book

Traditional Order Book

- Professional market maker needed
- High speed trading
- Not suitable for low TPS blockchain

AMM

Automatic market making



- Suitable for current blockchain
- Every asset need unique trading pools which cause liquidity wasting
- Relatively high slippage

SDP

Sharing Debt Pool

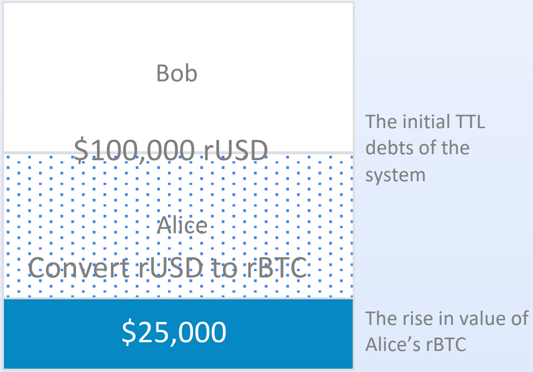
BTC
ETH
TSLA
AAPL
AAPL BULL 3X
BABA BEAR 3X
YD-ETH-MAR21
People’s Punk

- Compatible for almost all kinds of assets, even NFT fractions (synthetic assets with price oracle)
- All assets sharing the liquidity
- Relatively low slippage(w/ big pool)

1. Stand for “Sharing Debts Pool”

Appendix - Some math in SDP and Kingsman

SDP



An example of using SDP and Kingsman

1. Suppose two users, Alice and Bob, each generate $50,000 rUSD, and their respective debt ratios are 50%, and the total system debt is $100,000 rUSD.
2. Alice converts all rUSD to rBTC, Bob still simply holds rUSD. Assuming that the price of BTC rises by 50%, the value of rBTC held by Alice becomes $75,000, and the value of rUSD held by Bob is still $50,000. At this time, the total system liability becomes $75,000+$50,000=$125,000. Note that because the debt ratio has not changed, A's debt is $125,000*50%=$62,500, and Bob's debt is also $62,500.
3. Therefore, it can be calculated that Alice's profit and loss is $75,000-$62,500=$12,500, and Bob's profit and loss is $50,000-$62,500=-$12,500. The sum of all users' profit and loss in the entire system is 0, like a traditional contract trading system.
4. It should be noted that although Bob did nothing after generating rUSD, he/she still lost money due to the increase in the price of BTC. This is because once rUSD is generated, it is equivalent to having a long position in USD (in this case, it is also equivalent to a short BTC)!

Highlights of Crafting finance

NFT fractions

Crafting finance will support the **NFT synthetic fraction rafts**

Universal Raft

Raft will support almost all kinds of potential synthetic assets

Flexible Collateral

Different kinds of Collateral could be used in the Forge, the collateral rate is different for each kinds of the tokens

Optional Crafting

User could choose whether entering the SDP, which will allow flexible position choice

Low Slippage

Due to the sharing of the whole SDP's liquidity, the price slippage of trading in Kingsman is significantly lower than existing exchanges

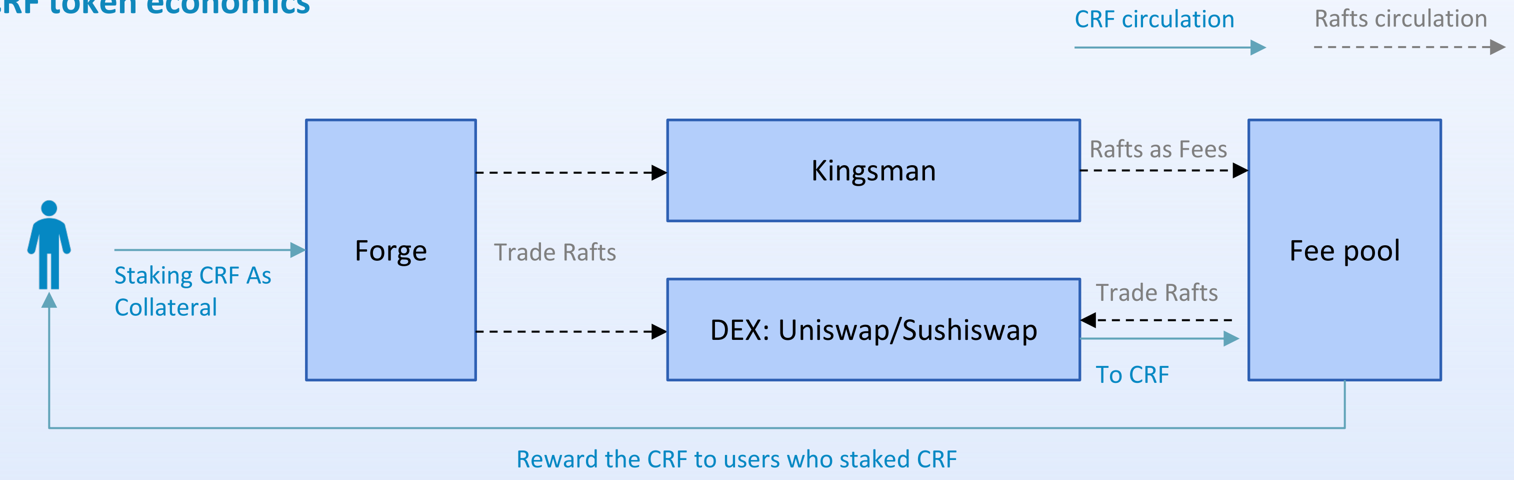
Horizontal comparison with other synthetic assets projects

	Crafting Finance	Synthetix	Mirror	Uma
Available Collaterals[1]				
Market Cap of the Collaterals	~1.3 Trillion USD	~4.7 Billion USD	~1.8 Billion USD	~1.3 Trillion USD
Collateral Rate	150%~500%	500%	150%	500%
Estimated Synthetic Assets Potential Market Cap[2]	200 Billion USD	0.9 Billion USD	1.2 Billion USD	60 Billion USD
Kinds of the Synthetic Assets				
NFT Fractions	NFTRaft			
Typical Assets	Raft	✓	✓	✓
Stable Coin	RaftStable	✓	✓	✓
Bond	BondRaft			✓
Smart Assets	UnivRaft			
Support SDP[3]	Kingsman	✓	✓	
Optional Joining of SDP	✓			
Multi-SDP	✓			

1. Crafing may use the governance token of layer-1 infrastructure which is not decided yet; Synthetix announced to support BTC as collateral, but the function has not actualized on the app yet; UMA is a general protocol for synthetic assets and the collaterals depends on the projects based on UMA.
2. The Potential Market Cap means if all the circulated collateral tokens to be used to mint synthetic assets, with the current collateral rate, the estimated market cap for the synthetic assets.
3. SDP stands for "Sharing debt pool", the innovative trading protocol invented by Synthetix

The CRF token economics and functions

CRF token economics

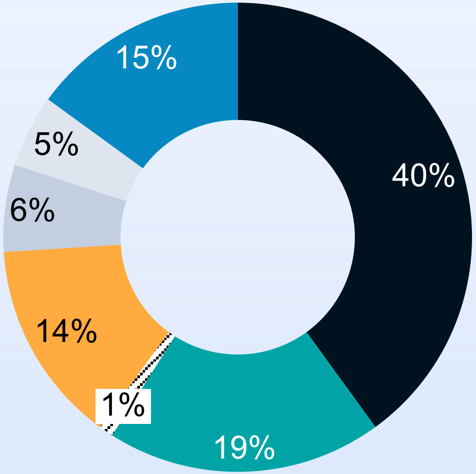


CRF token functions

As collateral generate synthetic assets through staking CRF and earn contract trading fees. CRF holders can use CRF as collateral to generate synthetic assets, and according to the number of staked CRFs, the percentage can be calculated. The fees incurred by DEX will be allocated to the fee pool, and proportionally rewarded to users who staked the CRF

Governance token of CF. All the parameters involved in CF, including the increase or decrease of the types of collateral, the adjustment of the collateralization ratio, the types of synthetic assets, etc., can be determined by voting by CRF holders.

The CRF token distribution



Initial total amount
2,000,000,000

- Liquidity Incentive
- Offering
- Initial Liquidity
- Ecosystem Partners
- Marketing
- Advisors
- Team

Crafting Finance

Crafting finance will actualize the project in few versions

Columbus

The First Version of Crafting Finance, we will launch Raft/RaftStable issuance, build SDP and Kingsman, and allow users to choose whether join the SDP

Zhangqian

will enable the NFT Fraction, and the RaftBond will be online for issuance and trading.

Thorvaldsson

UnivRaft will be online for universal synthetic assets, user could use it to issuance smart assets.

Vasco da Gama

Will launch the brand-new oracle system which could feed every asset‘s price all over the world

Appendix – Frequently asked questions

What's the main differences between Crafting finance and Synthetix

There are five main difference between Crafting and Synthetix.

First, Crafting Finance is supporting the NFT fraction assets, which means not only ERC20 tokens, but also ERC721 and ERC1551 tokens could be minted to ERC20 synthetic assets.

The allowance is not only an innovation from product designing, it's a difference of operational strategy, for example, the market cap for SNX is 2Bil now ,which means the upper limit of collateral for Synthetix is only 2Bil, so that the market cap for synths is limited also. Synthetix combined the buying of SNX token and the liquidity providing , we think it's a double-edged sword, even it could help the system to maintain the price of SNX, but it will drag the increasing of the liquidity and the TVL. Crafting Finance is gonna support plenty kinds of the collateral, which means the potential market is hundreds times to Synthetix, which means even the user penetration rate for Crafting is small than Synthetix, there still chance for Crafting to have a bigger TVL than Synthetix, and which means a bigger market cap for CRF token.

We think the Optional-joining-SDP and the Multi-SDP are great innovations for the users who would like to use Crafting as a financial tool, not only a mining project. With the Optional-joining-SDP innovations, we could split the functions of minting rafts with the function of trading. User could only use the Forge to forge the Rafts, and use the Rafts to do shorting or other things. And after that, user could choose to join the SDP, to do some trading strategy such as hedging or buying some ETF even shorting the pool. User even could use the Kingsman to trade their Rafts even they have not mint their own token(which means they bought it on the secondary market) and have not crafting into the SDP. So the system will be more reasonable and efficient.
With the Multi-SDP thing, we think the Crafting finance will be more likely as the traditional financial market, splitting the liquidity of different kinds of assets(such as crypto/stonk/bond/commodity) will attract more users from the tradition market because the traders will only trade in one or two markets instead of trading in a hotchpotch market. And the team will propose the splitting of the SDP when the liquidity of the first SDP is enough to do so.

The innovation of the bondRafts and the univRafts are referred from UMA, and is also very useful, which means Crafting will support almost all kinds of assets both in the crypto and in the tradition world. For example user could issue their bond to get funding in the system with a fix interest very easily. Compared with UMA, because of the SDP, user could sell their bond with a great liquidity(It's a problem of the secondary market now for UMA).

Crafting Finance

Partners

CMS

NGC ventures

LD CAPITAL

LONG HASH

PAKA

Continue Capital

AU21 CAPITAL

MAGNUS CAPITAL DIGITAL ASSETS FUND

SNZ CONNECT TO EMPOWER

SPARK DIGITAL CAPITAL

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