



editor's note 

Throwing coins in the water

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CRYPTOCURRENCIES ARE NOT my forte. For fun, I have dabbled in a few over the years, with ethereum probably being my “go to” instrument.

What exactly causes the spikes and dips in crypto I really can't say. I find the relative predictability of the stock exchange more reassuring, though on the JSE it sometimes takes an inordinate amount of time for the market to recognise the merits of promising small caps.

That said, I enjoyed lunch recently with Julius Steyn, who I first met during Cape Town's water crisis in 2018. Steyn is an expert in designing and setting up desalination plants. Steyn's company Exchange Trust Settlement Services is now more involved in financing desalination plants, and has launched an SA-registered digital water coin.

This digital coin – called an H2O securities coin – recently opened on Binance Smart Chain after a successful public offering. Steyn has already racked

up some success during a pilot stage launch of the H2O coin – which was listed at \$0.09 and soon sped to \$0.71. At the time of writing the coin was trading around \$0.31.

I can relate more easily to this digital coin application. The global funding gap for water infrastructure could exceed \$18-trillion, and Exchange Trust's blockchain platform was specifically designed so that water projects are evaluated and analysed by international experts and engineers before and after funding.

Steyn says the first contracts in this regard have already been signed. So Exchange Trust's digital structure has blockchain technology that allows the world's big finance houses and banks to finance water projects globally in a more effortless and less complex manner.

Steyn explains that by making use of the H2O securities coin, the financing chain is not only shorter but also involves much less risk as the blockchain diversifies exposure over several projects

in a project portfolio.

So what the Exchange Trust platform does is to securitise the future cash flow streams of a water project into a “green bond” in which finance houses and banks can then digitally invest. These “green bonds” are then traded on a digital exchange in the same way as a company's shares on a traditional stock exchange, with supply and demand determining a price.

Water is undoubtedly going to become a key commodity in the decades ahead, so this is one digital coin application to watch. I note Exchange Trust is keen on listing the H2O coin on a centralised digital exchange next month.