

## "Who could've predicted an asset with no intrinsic value would become worthless?"

*New York Times Pitchbot Twitter account posted, AFR 16<sup>th</sup> November 2022*

The undoing of the powerful reached a crescendo this month.

**FTX:** The world's most prominent crypto (ex)billionaire, Sam Bankman-Fried, vaporised virtually US\$32 billion after his over-leveraged, complex empire, FTX, filed for bankruptcy – and then it got hacked!

**ASX:** Coincidentally, ASX shut down its blockchain-based project, writing off \$250m. More [below](#).

**Amazon** was the first company in history to shed over US\$1 trillion off its market cap.

**Meta**, the largest social network company in history, which has lost approximately two-thirds of its value this year, announced massive layoffs at the same time as several others including **Amazon, Cisco, HP, Lyft, Stripe and Snap**.

**Twitter:** After finally closing the Twitter deal, technology icon, Elon Musk, plunged it into chaos, halved headcount and is now struggling to contain any value that may be left.

**Theranos:** After a year-long legal battle in which Elizabeth Holmes has become the poster child for Silicon Valley-gone-wrong, the disgraced founder of blood testing company Theranos, was sentenced to prison.

Where does this leave the technology sector? Mainly unchanged.

Let's not confuse business, or poor business practice, with new technology. FTX was a Wall Street problem, not a software problem - not unlike the Bernie Madoff or Lehman Brothers scandals. Many companies disappeared during the dot-com bubble, yet we couldn't do without the internet today.

As we look forward to 2023, society will lean on technology more than ever, to do things we humans simply cannot do on our own.

In closing out the year, we wish you and your families a safe, peaceful festive season, enjoy a relaxing break and here's hoping that 2023 is your best year yet!

*Previous Newsletters, including this one, are available on our site in pdf [HERE](#)*

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## Walks like a bank, talks like a bank, Apple is a bank

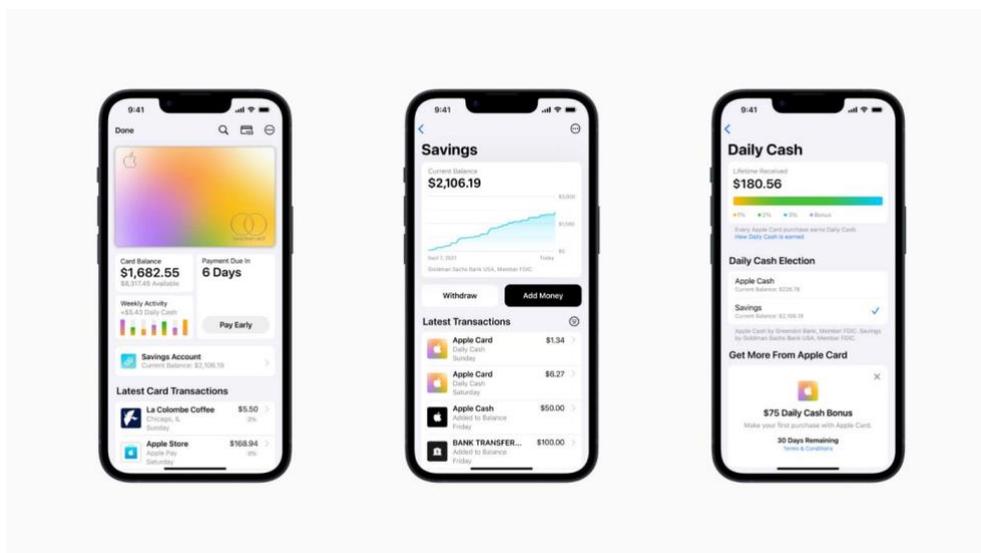
[LINK](#)

Banks are in trouble. Not because of inflation, or recession, or the war in Ukraine. Because of Apple.

Apple is slowly and surely looking more like a bank.



In October, Apple announced that it was launching a new savings account in the US. Apple Card users will be able to set up and manage savings directly in their Apple Card in Wallet with some benefits including no fees, high yields, no minimum balance and no minimum deposits.



*Open a savings account, save, transact from iPhone - frictionless*

Apple will offer the account through Apple Card partner Goldman Sachs, but Apple has not yet said what the interest rate will be.

Users can set it up from their iPhones without going to a bank or even filling out paperwork. It's all built into the iPhone.

No waiting for approval processes. Instant set up.

Once the savings account is set up, Apple will also automatically deposit all future Daily Cash received into it, but users can also opt to add these funds to an Apple Cash card in their Apple Wallet app and are able to switch where Daily Cash is paid at any time.

And in case you weren't aware, earlier this year, Apple announced two new features that would have sent shockwaves through the banks:

- **Apple Tap to Pay** – turns an iPhone into a mobile Point-of-Sale (POS) reader. No extra hardware required
- **Apple Pay Later** – built into the Apple ecosystem, it is frictionless and will turn the heat up on buy-now-pay-later (BNPL) players such as Afterpay (Square) and Zip.

## ASX's \$250 million CHES blockchain debacle

[LINK](#)

***"Nobody's gonna say I got some shit that I want to sell you.***

***They say — it's blockchain!"*** Charlie Munger, [LINK](#)



Seven years ago, the Australian Stock Exchange (ASX) proudly announced that it would implement its Clearing House Electronic Sub-register System (CHES), on blockchain. CHES is the computer system used by the ASX to manage the settlement of share transactions and to record shareholdings. In other words, it is core business.



AFR report on ASX blockchain

This month ASX pulled the plug on the project and announced that it will write off \$245-255 million.

Its announcement comes on the same month that one of the world's largest crypto exchanges FTX, collapsed, dragging down a wide range of cryptocurrencies that also operate on blockchain technology.

Is this the end of blockchain or crypto?

Definitely not. We will probably never know the full story behind the ASX failure. It probably had little to do with the technology itself. Beware of writing off such important and valuable technologies due to a failure in one organisation in one project.

## Shortest maths paper ever published

[LINK](#)

The shortest mathematics paper ever published was written by John Conway and Alexander Soifer from the mathematics department of Princeton University and was published in *The American Mathematical Monthly* in 2005. The paper was submitted on April 2004 with just two words " $n^2+2$  can".

The paper was first rejected by the Editorial team stating that the article is *a bit too short for the Monthly* publication. When asked to add a few more lines as an explanation of the proof in their paper, the authors decided to stick to the original one and not make any changes.

The intention of the publication, along with posing open mathematical problems and their proofs, was to publish the shortest paper ever and set a world record for the same, as one of the authors *Alexander Soifer* mentions. The paper was successfully published in January 2005 with a few changes to the title.

Can  $n^2 + 1$  unit equilateral triangles cover an equilateral triangle of side  $> n$ , say  $n + \epsilon$ ?

John H. Conway, Alexander Soifer

Princeton University, Mathematics, Fine Hall, Princeton, NJ 08544, US

$n^2 + 2$  can:

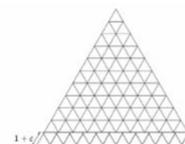


Figure 1:

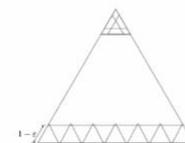


Figure 2:

1

## Recommended reading - 2022

Over the new year break, with perhaps a bit more spare time, you may find the following list of interest. They are the recommendations from our monthly newsletters this year:

- "Amazon Unbound: Jeff Bezos and the Invention of a Global Empire", Brad Stone, Simon & Schuster, 2021 [LINK](#)
- "Range: The Key to Success, Performance and Education", David Epstein, 2021 [LINK](#)
- "Electrify: An Optimist's Playbook for Our Clean Energy Future", Saul Griffith, 2021 Massachusetts Institute of Technology [LINK](#)

- *“The Code Breaker - Jennifer Doudna, Gene Editing and the Future of the Human Race”*, Walter Isaacson, 2021 [LINK](#)
- *“Multipliers. How the best leaders make everyone smarter”*, Liz Wiseman with Greg McKeown, 2017 [LINK](#)
- *“AI Super-Powers. China, Silicon Valley, and the New World Order”*, Kai-Fu Lee, 2018 [LINK](#)
- *“The Man Who Solved the Market”*, Gregory Zuckerman, 2019, [LINK](#)
- *“Stolen Focus, Why You Can’t Pay Attention”*, Johann Hari, 2022 [LINK](#)
- *“This Is How They Tell Me the World Will End: The Cyber Weapons Arms Race”*, Nicole Perlroth, 2020 [LINK](#)

Till next year.

Stay connected

Kevin