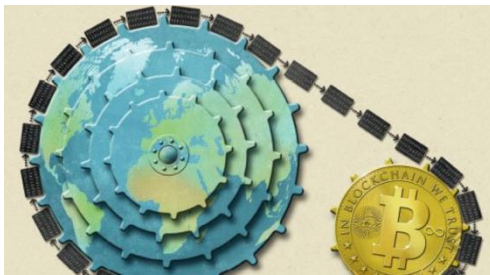


Dear Lykke friends,



This is the second edition of the Lykke Times. Blockchain is gradually becoming mainstream, and this drives the demand for Bitcoin. Stage #2 of the Lykke Design Competition is about to end and the winners to be announced soon.

International News



Blockchain is becoming mainstream

Economist: The Trust Machine is the title of the front page of the Economist for the blockchain. See

<http://www.economist.com/news/briefing/21677228-technology-behind-bitcoin-lets-people-who-do-not-know-or-trust-each-other-build-dependable>

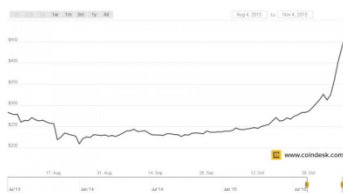
The blockchain is literally a trust machine - there is no cheating. Today, the NSA and the likes try to know, what

is really happening. In future, anyone will know; we will just have to consult the blockchain. The FT has also published a big article about blockchain prepared by the World Economic Forum, see

<https://agenda.weforum.org/2015/11/how-will-blockchain-technology-transform-financial-services/>.

Blockchain technology is becoming mainstream; all the important financial newspapers have started to dedicate a lot of space to Bitcoin related articles.

There is a common thread in all the publications - blockchain technology is a seminal discovery, but there is uncertainty of how the technology should really be used. Everyone is waiting for the killer application that will make blockchain technology indispensable. There are 300 startups in the US and England working on Blockchain related technologies; this is not a lot, when compared to the significance of the blockchain technology. We need a lot of experimentation to get a product really polished and score a global success; the many startups are an efficient method of experimentation in the Darwinian selection process. Most startups focus on incremental changes of the financial industry; far too few groups have the courage and vision to bet on a radical change, as Google did.



Bitcoin roller coaster

Over the past days the Bitcoin price jumped from 312 USD to 485 USD and then fell back to 380 USD. The price action of Bitcoin is too erratic to establish itself as a global means of payment. In the context of colored coins, the price volatility does not matter at all. A colored coin uses a small increment of Bitcoin, in particular 600 Satoshi (one Satoshi is 1:100'000'000 of a Bitcoin), which is about 0,2 cents at current price. The coloring of the coin determines the value of the coin; it is not the value of Bitcoin used for the colored coin.

Local News



Lykke Competition stage #2 coming soon

The Lykke FX platform software design challenge Period #2 is about to end. In the next 3 days the results will be evaluated and winners announced next Monday November, 16. Period #3 will begin to allow the solution prototyping.



Lykke supports Russia Risk Conference

Lykke is a proud supporter of Russia Risk Conference organized Professional Risk Managers' International Association (PRMIA) Russia Chapter to take place in Moscow on 13 November 2015. The conference will gather 150 leading risk managers to discuss on disruptive innovations in finance led by a key-note of Richard Olsen.



Colored Coins Master Class at HSE.LAB

Mikhail Nikulin and Sergey Ivliev have conducted 2-hours master class at the innovative space of HSE.LAB. The concept behind colored coins in comparison with other protocols was discussed, followed by Open Asset API technical master class. More than 30 professionals from a variety of startup teams and organizations were participating and expressed significant interest in the follow up discussions.

Lykke Welcomes New Citizens

We welcome the following citizens:

Jing Li has joined us; Jing has been working for Prof Cui, who has been championing a new form of trust banking in China. Jing is trained in Finance and International Relations; she will help us get a foothold in China.

Luka Müller-Studer is a lawyer and partner of MME; he is literally the expert in Switzerland for for digital currencies and blockchain. Thank you very much for joining and giving guidance.

Igor Svelyev is participating together with his team in the software design competition. Your hands on experience and deep knowledge of the subject are very valuable to our project. Thank you very much for participating.

Aseniy Steblyuk is participating with his team in the design competition. I will meet Arseniy in Moscow on the coming weekend; we will be able to continue our discussions of how to really design the matching engine - the introduction of 'price-spread-time' queuing for limit orders is non-trivial; thank you for finding practical solutions.

Wish you all the best,

Richard Olsen, Lykke City founder