Abstract

This thesis reflects on the newly emerged alternative asset class of non-fungible tokens (NFTs). We perform both qualitative and quantitative analyses on the matter. In the empirical part, we construct different types of random portfolios to investigate the performance of cryptocurrency-based portfolios after the possible inclusion of NFTs in such. Our results suggest that as of the end of 2022, portfolios of Bitcoin and Ether perform better without NFTs, thus rejecting the previous assumptions of limited diversification potential of NFTs, which was detected during the last crisis period during the COVID-19 pandemic. The qualitative analysis on the topic, however, suggests that NFTs are not just the hype and the innovative blockchain solutions that NFTs represent may be of greater use in the near future. Therefore, despite of non-efficiency of NFTs as a financial asset in 2022, they still display significant potential as a disruptive technology.

Keywords

NFT, Cryptocurrency, Random portfolio, Blockchain, Non-fungible token.

Title

Non-Fungible Tokens (NFTs): A hype or hope? Analysis of random NFT portfolios.