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Market microstructure of Non Fungible Tokens
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Abstract

Non Fungible Token (NFT) Industry has been witnessing multi-million dollar trade in recent times. With rapid innovation of the NFT market environment by technology, innovation, and decentralization, it is becoming hard to distinguish between genuine NFT from fads and scams. This article discuss the NFT market microstructure, with a focus on price formation, market structure, transparency, and applications to other financial areas. Market manipulation in NFT market with the context of wash-sale patterns has also been surveyed. The article concludes by providing pointers on due-diligence activity that can be adopted by investors to mitigate NFT trading risk. Copyright © 2021, The Authors. All rights reserved.

Author Keywords

ERC721; Market microstructure; NFT; Wash-trading

Index Keywords

Investments, Microstructure; Decentralisation, Erc721, Market applications, Market environment, Market microstructures, Market structures, Non fungible token, Price formation, Rapid innovation, Wash-trading; Commerce; Cryptography and Security (cs.CR), Economics (q-fin.EC), General Economics (econ.GN), General Finance (q-fin.GN), Trading and Market Microstructure (q-fin.TR)

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