

Piccolo Research

Independent research on blockchain startups and ICO's

A brief update on Swingby (SWINGBY)

25 February 2021 - Lennard Neo

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SWINGBY (SWINGBY)

Project Update

A trustless cross-chain swap protocol bringing Bitcoin to DeFi

Summary

Swingby is a high-speed protocol enabling inter-blockchain swaps in a trustless environment, thus opening up decentralized connections for endless DeFi possibilities. Skybridge is the first implementation of the Swingby platform and currently supports Bitcoin to Ethereum (WBTC) swaps, with a 2nd bridge (Bitcoin to Binance Smart Chain) set to launch at the end of March 2021. The Swingby protocol will significantly enhance the value of DeFi applications such as DEXs and lending & borrowing protocols by allowing them to access native tokens of other blockchains that are not yet available on Ethereum.

Concept

MVP

Established

Updates from Previous Report (21 Jul 2020)

- Swingby's first bridge from Bitcoin to Ethereum (Chaos-MainNet) is live and has processed more than \$2.5 mln of Bitcoin to Ethereum (WBTC) swaps since its launch in January 2021
- Swingby's community has been growing significantly and currently stands at 16.9k Twitter followers (up 280% from the previous report) and 2.5k Telegram subscribers (up 110% from the previous report)
- Attractive staking rewards are driving demand for SWINGBY tokens, of which ~\$29 mln have been locked and bonded to Metanodes.
- The network is growing quickly, with 43 nodes currently up and running with \$384k BTC/WBTC of liquidity staked.
- Partnerships with major crypto projects such as Elrond, Bluzelle, Kira and Band Protocol firmly establish Swingby in the DeFi space.
- The SWINGBY token can now be traded on centralized exchanges such as Poloniex, BitMax, Probit, XT.com and has launched on Binance Smart Chain's DEX Pancake Swap and Bepswap.

General

Ticker: SWINGBY

Website: [Click here](#)

Explorer: [Click here](#)

White Paper: [Click here](#)

Token Details

Price: \$0.754

Market Cap: \$88m

1y Price Range: \$0.02 – \$1.06

1y Daily Avg Trading Volume: \$2.2m

Current Circulating Supply: 118m

**As of 24 Feb 2021*

Checklist

Management: ✓

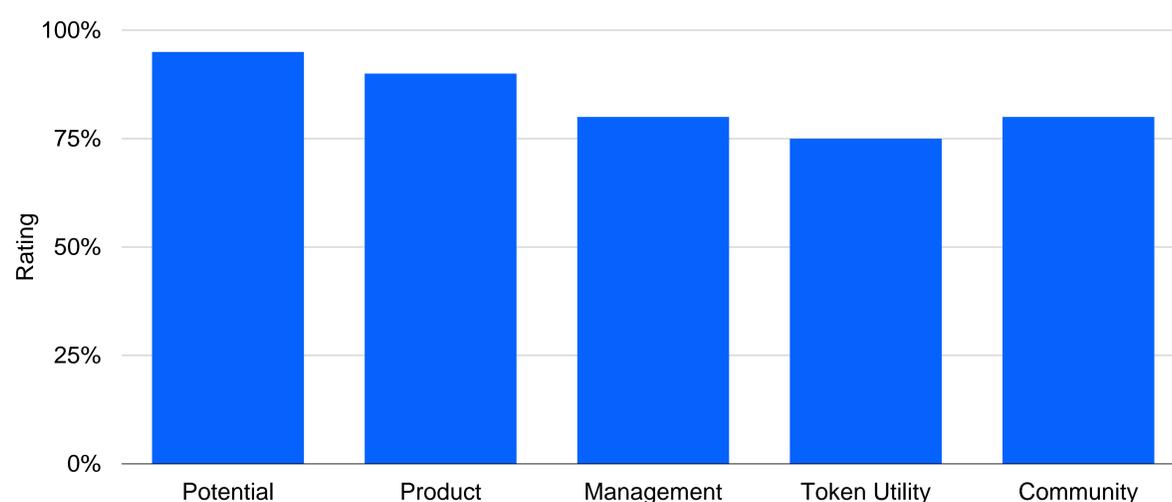
Product: ✓

Commercial: ✓

Interest: ✓

Fulfilment: ✓

Birds-Eye View



Product & Strategy Updates

Swingby is well on track to deliver on the goals laid out in their roadmap. The Skybridge smart contract has recently been audited by an external auditor and all security recommendations mentioned in [the report](#) have been implemented.

The project has also undergone a major facelift, with a complete redesign of their [website](#) and a [network explorer](#) built from scratch. Upcoming catalysts include the launch of the next trustless bridge from Bitcoin to Binance Smart Chain as well as Swingby's DeFi portal.

To strengthen its marketing efforts, Swingby partnered with the crypto marketing agency **Enfork** and plans to strengthen its community engagement by publishing more content and collaborating with crypto influencers. The team has started to engage with local communities in Romania and Sri Lanka via dedicated Telegram groups (with ~2.3k subscribers) and will start to build communities for Turkish-, Polish- and Spanish-speaking people.

Furthermore, an [affiliate program](#) has been introduced, which allows users to share a custom link with friends, earning rewards when they perform a swap on Skybridge (currently 0.25% of swap volume and paid in SWINGBY).

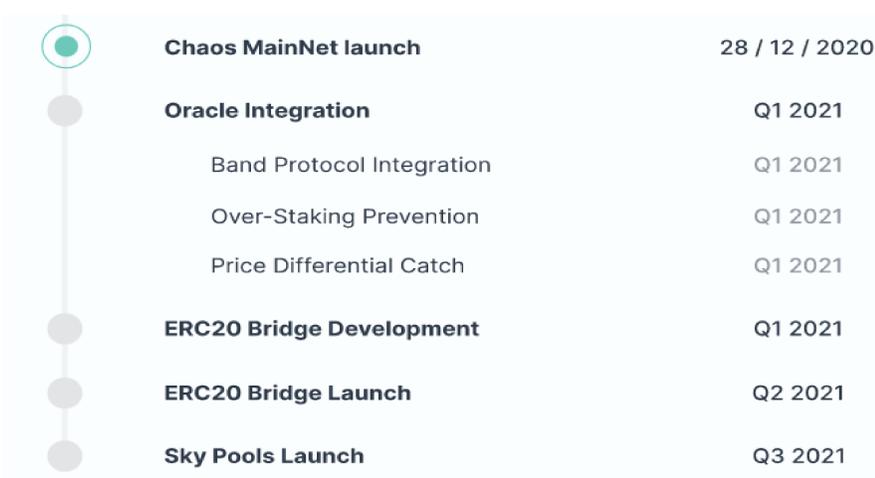


Figure: Roadmap

Partnerships and DeFi initiatives

Swingby has partnered with some of the most important projects in the DeFi space, thereby expanding the Swingby ecosystem and its functionality.

- Secure price oracles and Proof-of-Custody oracles from both **Band Protocol** and **Bluzelle** will be integrated in Q1 2021. This will provide a safety mechanism to control price differentials between bridged assets and allow anyone to assess the value of staked assets.
- Swingby is exploring collective opportunities in the DeFi sector through a strategic collaboration with **Elrond**, one of the largest layer-1 protocols, which could potentially enable inter-blockchain swaps between Elrond's native token EGLD and other chains.
- By partnering with **KIRA Network**, Swingby users will be able to stake their digital assets through KIRA, thereby generating revenues from staking while maintaining full liquidity.
- **Stakeborg**, one of the largest staking partners on Elrond Network has made a six-figure strategic investment in Swingby. The enterprise-level Proof-of-Stake infrastructure provider and venture capital firm will support the Swingby network with node infrastructure and staking services to push the European expansion in 2021.

Team & Advisor

Since December 2020, the Swingby team is led by Jacob Samuel Plaster, who was announced as the successor to former CEO and founder Yusaka Senga. Previously, Jacob Samuel has been working at iFinex, owner of the crypto exchange 'Bitfinex' and stablecoin-issuer 'Tether', where he was a senior software developer responsible for exchange APIs and algorithmic trading systems.

"Working with bold teams solving difficult problems is one of the things that we do at Stakeborg. In the last few months, we've seen how Swingby delivered on what they've promised so this new step in our partnership will push the project to a whole new level"

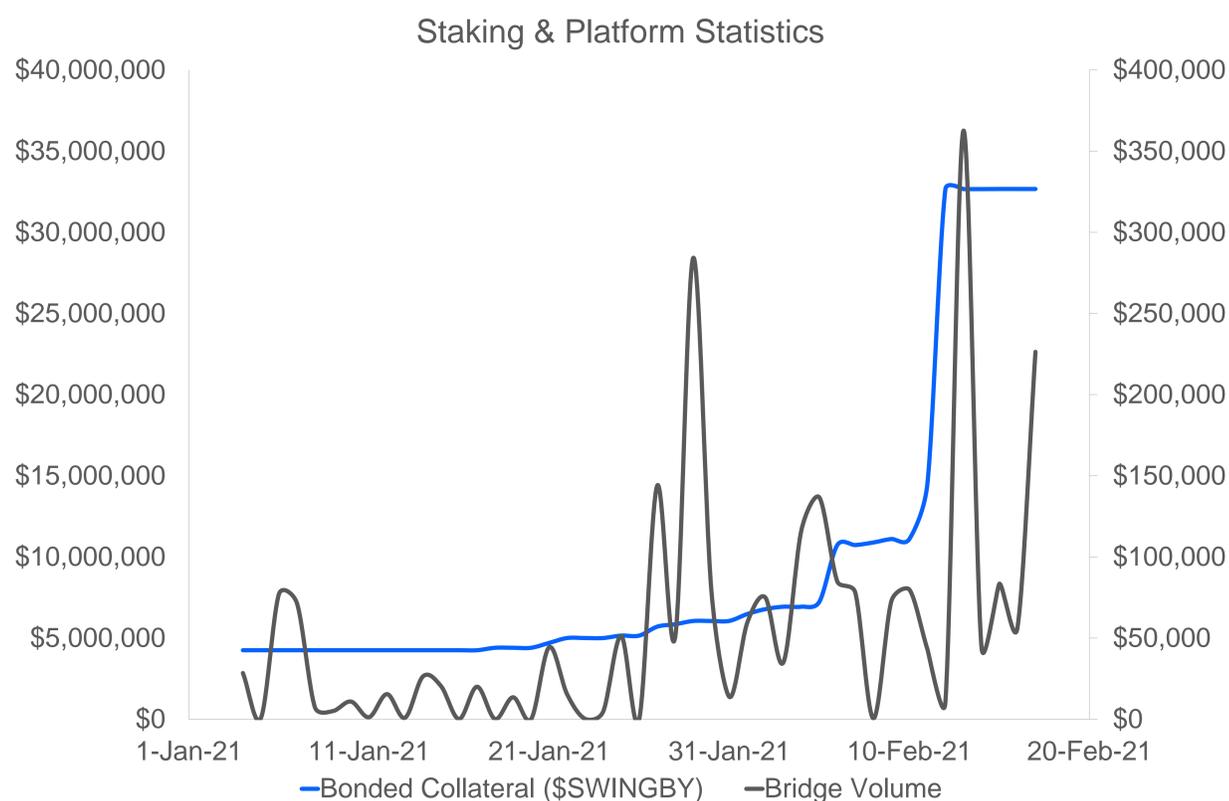
- Vlad Mercori, co-founder Stakeborg

To ramp up marketing efforts that "match technical innovation with creative ways", Vlad Mercari, co-founder of Stakeborg has joined the Swingby team in November 2020 as a marketing advisor.

Staking APR and incentives

Two-thirds of all network fees accrue to Metanodes as a reward for securing the Skybridge network, with the rest of fees going to liquidity providers. To bootstrap the network and to encourage users to run their own Metanodes, node operators earn higher APRs. Pre-staking yields are as follows:

- 52% for Metanode operators (67% compounded) and paid in Swingby
- 30% Pre-Staking (34.8%) paid in Swingby



Conclusion

Piccolo Research believes that one of this year's most important investment themes will revolve around Bitcoin's usage in DeFi application, which is still in its infancy and harbours a lot of untapped potentials. The amount of tokenized bitcoin has increased by more than 30 times since 2020, and we believe that Swingby is well-positioned to capitalize on this trend. Furthermore, Swingby's value proposition perfectly fits the growing need for cross-chain interoperability solutions, and its trustless Skybridge will constitute a critical puzzle piece of decentralized infrastructure.

About the Analyst

Lennard specializes in fundamental and technical analysis in digital asset investments. He became acquainted with blockchain, cryptocurrency and ICOs in 2016, and recently decided to take a meaningful step away from traditional banking to join this industry. Previously, Lennard spent 3 years with an investment bank in Forex and Debt Capital Markets. Prior to this, he also had entrepreneurship experience working with an e-commerce startup and a local social enterprise. Lennard completed the CFA program and graduated with a master's degree in Applied Finance. He is fluent in English, Chinese with a basic in Korean.

Ratings Definition

Monitor – Continue observation until clarity of information is provided

Sell/ Avoid – Investment is associated with high risk of losing capital

Hold/ Neutral – To maintain current levels of position until the next updated release

Spec Buy – A speculative opportunity for investors with higher risk tolerance

Buy – A high conviction buying opportunity

Disclaimer

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