Shekel.io

Shekel

THE FUTURE OF CRYPTOCURRENCIES

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Introduction

Cryptocurrency, precisely Blockchain, has been confirmed to be a revolutionary technology in our society today, yet it is still in the developmental stages of adoption. Accordingly, many new cryptocurrency concepts are being marketed to link the gap between technical difficulty and usability of Blockchain.

The possibility in this growing market along with increasing acceptance of cryptocurrencies makes new projects extremely alluring for start-ups and investors alike. The market for cryptocurrencies has not been fully realized. Merely trading cryptocurrency can be a problem for many potential users as a result of security concerns and identity verification difficulties.

Having secure, easy-to-use cryptocurrency technology that integrates Peer-to-Peer exchange between credit card capability, fiat and cryptocurrency, and secure, cold storage of user funds while providing novice users techniques for improving their skills is the future of exchange of assets and safe trading. Providing users with a return on gross profits serves as an additional enticement.

As the acceptance and mainstream popularity of blockchain and digital assets upsurge, traditional investors have been searching for more exposure to these blockchain based technologies and digital assets. However, many unique properties can be “lost in translation” when it comes to fitting in the digital currency world and the world of traditional finances.

A closer observation of technology trends reveals that the last has not been heard of Blockchain technology as that next-gen technology is continuously evolving. Obviously, the high-tech platform still has a lot in store for the business world. And as a consequence, one of its latest additions to the business world is Shekel. But before delving into that, it is critical the purpose for which this paper is written is made abundantly clear.

Problem Identification

In a typical masternode based cryptocurrency, block reward is shared fairly between the masternode and PoS Staking. From the onset, it was also envisaged that the masternodes could allow a single entity to game the system, outgrowing the rest of the network to become the overwhelming majority, thereby disrupting the planned fairness in the system's block reward distribution. If this scenario plays out, then the object of the exercise is defeated as centralization will favor the masternodes owners. The aim of designing the system is defeated because decentralization, which is one of the key features of all cryptocurrencies, cannot be achieved anymore. Truly, this flaw must be avoided in order to keep the PoS network secure. And if not addressed, the flaw could snowball to the insecurity of PoS network or in worst case scenario, lead to entire network collapse.

The aim of this paper is to explain how this seemingly insurmountable hurdle will be overcome. How should the PoS network be strengthened to make the network secure? So the aim of writing this paper is to explain how it is achieved.

Understanding Proof of Stake (PoS) System

By design, Proof of Stake is an algorithm or protocol used to verify and validate transactions or blocks on the Blockchain technology. First used by Peercoin, a digital currency created in 2012, PoS offers rewards to miners based on the number of resources they have at their disposal as against Proof of Work (PoW) systems that rewards miners based on the amount of work done. Understandably, at this point, Proof of Stake (PoS) network was insecure and had to be strengthened. So to tackle the PoS network insecurity, incentivized staking was introduced to encourage liquidity in the network and put the growth rate of masternodes in check.

Shekel Overview

What is Shekel?

Shekel is a blockchain technology enabled open-source and privacy-focused digital currency. It is a technological innovation which is being run by creative, smart tech gurus. This technology is driven by Dash masternodes. The relationship between Dash, Bitcoin and SHEKEL are: while Dash is a Bitcoin fork (an improvement on Bitcoin), SHEKEL is a Dash fork (an improvement on Dash). Well, in clear terms, Shekel is that money one can spend in the twinkling of an eye, securly by being stored on the blockchain. Yes, it's that simple! With Shekel wallets, one can simply carryout both instant and private transactions that are fully backed by the Shekel blockchain.

Shekel is a peer-to-peer Internet currency that enables fast, zero cost payments to anyone in the world. Shekel is a fully decentralized, global payment network. Mathematics secures the network and allows individuals to control their finances. Shekel features faster transaction confirmation times and improved storage efficiency than the leading math-based currency. With industry support, volume and liquidity, Shekel is a proven medium of commerce.

As regards its specs, SHEKEL boasts Blackcoin PoS 2.0 protocol and Bitcoin core 0.10x code base. SHEKEL also features a decentralized system and Quark Hashing algorithm. Furthermore, it delivers a Tor-Masternodes (25K SHEKEL/node) and block time of sixty seconds. Just like other competitors seeking top capitalization on the market today, SHEKEL guarantees fungibility, topnotch security, and privacy. One merit of SHEKEL is that all the transactions that happen on it are verifiable, though they remain largely secretive.

To solve the problem identified earlier in SHEKEL, there is a little trick to it. SHEKEL uses a seesaw system such that where many masternodes exist; rewards are tilted in favor of incentivized staking (keeping it in your online wallet), under certain thresholds, thus creating a balance in the system. Furthermore, whenever there are too many masternodes in the network, the system is programmed not to give them any incentives. It's that simple! To trade in SHEKEL, the trader will need to set up a wallet. And traders are encouraged to leave their wallets open in order to make the most of the digital currency. It is so because leaving their wallets open will help strengthen the system, and in return, they get rewarded for it.

Proof of Stake 2.0 Overview

By design, to keep the SHEKEL system more secure, owing coins in the network is extremely difficult. As a community-based cryptocurrency which focuses on privacy, SHEKEL ensures that the identity of the person involved in the transaction remains anonymous even though the transaction is verifiable. To achieve consensus, SHEKEL needed to have PoS 2.0 running wallet software which proves that it has enough Blockchain coins to verify transactions. Stakers are rewarded based on the amount they contribute. Also, the more the staking, the more secure the network becomes because it becomes increasingly difficult for individual stakers to control the majority of coins in the network.

Masternodes Overview

Masternodes are incentivized nodes (just like computers connected to a network) that have the same wallet software on the same Blockchain to render special services to the decentralized, trustless network. Some services typically rendered include coins mix coordination for transaction privacy, instant transactions, and decentralized governance for immutable voting systems and proposals.

All masternodes are required to have dedicated IP addresses, 25,000 Shekel collateral, and ability to stay connected 24/7 with at most 1 hour downtime. Also, masternodes are entitled to 45% of block reward (this will be discussed shortly) on every block. Furthermore, by design, for the invaluable services they provide, masternodes are rewarded handsomely, but these rewards must not come to the detriment of the network. Rewarding them in excess means more masternode owners will have more gains, thus leading to the centralization of the network – a phenomenon that must be averted.

Requirements for Masternode Hosting

There are certain requirements for masternode hosting. Much as some of them have been itemized earlier, let's shed more light on it.

25,000 Shekel

Obtaining Shekel for masternode hosting is the kickoff requirement. Make no mistakes, this is not easy but can also be acquired at exchanges listed on shekel.io

Dedicated IP Address

After acquiring the Shekel, the next line of action is a dedicated IP address. But they always come with servers and computers connected to a network.

VPS running on Linux

Here, beginners are strongly advised to get cheap VPS like Vultr and DigitalOcean to test-run it and may migrate to higher versions afterward.

Time

Just as most ventures, beginners must be ready to invest some time into learning how the system works so as they get the most out of it.

Masternode Hosting

Masternodes hosting is no picnic as it involves a lot of money and energy too. But the benefits of hosting a masternode is that investors are paid block rewards by the system as a way of incentivizing them. Take for instance, in 2016; every 1000 Dash returned approximately 11% block rewards in earnings. Also, whenever someone uses certain services (such as PrivateSend and InstantSend) offered by masternodes on the network, there are rewards. Based on expert analysis and projections, rewards skyrocket whenever Dash rises, and its supply experiences a pitfall. This happened late in 2016.

Resolving the Problem

To ensure that the masternodes and stakers are rewarded as they ought to, a Seesaw Reward Balance System was designed to this end. This system automatically works out the ratio between masternodes and stakers to determine which gets rewarded, thus keeping the network secure. While 10% of the block rewards go to the budgeting system (these are used for coin burns and fees such as exchange listings), both the stakers and masternodes keep the lion's share of 90%. Well, that's not all there is as the 90% reward portion is shared equally by the Seesaw Reward Balance System between the staking nodes and masternodes, thus creating a balance between the two network beneficiaries.

Seesaw Reward Balance System Summary

From the foregoing, the following points can be deduced from the Seesaw Reward Balance System:

- This reward system promotes incentivized staking through an upward review of reward whenever masternode count is high, thus maintaining high network security
- It also allows for coins owners to get the deserved reward instead of making the reward to be enjoyed merely by masternode owners
- It ensures that masternodes remain more profitable so long as they don't get higher than its equilibrium threshold of 40% of total coin supply. Typically, when the coins floated by masternodes hit 41.5% of total coin supply, the block reward tilts, favoring staking nodes with over 50% of block reward
- Just a few months since it migrated to PoS on the testnet, the SHEKEL algorithm has been running without hitches as it was originally intended, thanks to Seesaw Reward Balance System
- The Seesaw Reward Balance System also ensures that it is more beneficial running masternodes than it is staking. This is apparent because of the risk, time and cost involved in maintaining masternodes, which are far greater than staking.

Distinctive Features of Shekel

Blockchain
The Shekel is capable of making higher transaction volume than its counterpart - Bitcoin. Merchants get faster confirmation times, while still able to wait for more confirmations when selling more priced items.

Encryption
Allows securing your wallet, required to enter your password before spending Shekels. Provides protection

Mining
Miners awarded 350 new Shekel per block, an amount which gets halved roughly every 4 years (every 840,000 blocks). The Shekel network is therefore scheduled to produce 40M million Shekels, which is ~2 times as many currency units as Bitcoin.

Open Source
The project released under the open source license which gives you the power to modify, and copies the software and to distribute modified copies. The software is released in a transparent way allows independent verification of binaries and their source code.

Developers
General information, list of Shekel services and exchanges. Network statistics Shekel Block Explorer Charts. Source code for Shekel Core and related projects are available on GitHub.

Community
Growing number of Shekel communities including an active forum which you can easily find here: Shekel Forums

Advantages of Shekel Over Other Cryptocurrencies

SHEKEL offers numerous advantages over many other cryptocurrencies.

These advantages are listed below:

- SHEKEL is an anonymous and fast digital currency
- It is a community-driven network
- The improved version of SHEKEL runs on PoS 3.0, offering enhanced security and efficiency
- Its transaction fees are incredibly low
- Its Bitcoin 0.10x core promises an updated model of the Bitcoin core versions
- SHEKEL allows and encourages everyone to join its growing network community including social networks like Twitter, Facebook, Reddit, Discord, etc.
- Its development team is very responsive, accessible and active
- Since it launched, its profitability has never been in doubt, offering investors greater chances of getting even richer

References

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