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Squid Game cryptocurrency rockets in first few days of trading

By Katie Silver
Business reporter

🕒 4 days ago





If you're a fan wanting to express your devotion to the hit Korean Netflix show Squid Game - well, there's a cryptocurrency for that.

Gamers have created an online version of the programme, for which you need the Squid cryptocurrency to play.

On Tuesday, it was worth a modest 1 cent, but by Friday it had exploded in value, reaching **\$4.39** (£3.18).

But Squid has been criticised for not allowing investors to resell their tokens.

The dystopian series - which tells the story of a group of people forced to play deadly children's games for money - has become a viral sensation.

Squid is what is known as a "play-to-earn" cryptocurrency, where people buy tokens to play in online games where they can earn more tokens. These can then be exchanged for other cryptocurrencies or fiat money.

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In the case of Squid, many buyers will be gamers looking to play in the **online game of the programme**, which begins in November.

"The more people join, the larger reward pool will be (sic)," according to the **issue document**, which says developers will take 10% of the entry fee with the

remaining 90% given to the winner.

"More importantly, we do not provide deadly consequences apparently!"

Individual rounds have costs to join - for example, playing Round 1: Red Light, Green Light will cost a player 456 Squid - with six rounds in total that get more expensive as they go along.

Buyer beware

But prospective buyers should beware with crypto price-tracking website **CoinMarketCap issuing a warning** that many users have been unable to resell their tokens on cryptocurrency exchanges.

Its market capitalisation, or total volume in the market, has reached \$184m (£133m).

One trader told the BBC on Twitter they have \$7,500 (£5,442) tied up in the currency that they are hoping will be released in 48-hours.

It is unclear why this is happening, but the company says it is using "innovative" anti-dumping technology that limits people from selling their coins if there are not enough coins being bought in the market.

The company has not immediately responded to the BBC's request for clarification.

"This cryptocurrency joins a long and growing list of digital coins and tokens that piggyback on random memes or cultural phenomena," Cornell University economist Eswar Prasad told the BBC.

"Remarkably, many such coins rapidly catch investors' fancy, leading to wildly inflated valuations. Naïve retail investors who get caught up in such speculative frenzies face the risk of substantial losses."

Play-to-earn games: the future of gaming?

Play-to-earn games have grown increasingly popular during the pandemic as the surge in online gaming encouraged the development of the GameFi technology sector which combines entertainment with real tools for earning money.

The metaverse is expected to help this sector develop even further.

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It's not just crypto traders that have benefited from Squid Game's popularity.

[Netflix's subscriptions saw a bounce](#) when the program was released. According to Bloomberg, the Korean series is thought to be worth some \$900m to the streaming giant, after costing just \$21.4m to make.

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