

Coinversation Protocol

Introduction

Coinversation Protocol is a stable currency protocol based on interest-bearing assets based on the parachain of Polkadot. Users can use different currencies such as CTO and DOT to synthesize CUSD through smart contracts and oracle. Users can cast CUSD by staking tokens that can generate interest. Bridging USDT, USDC and other stable currencies to Coinversation to form the largest stable currency exchange platform in the Polkadot ecosystem.

CUSD

CUSD Price Peg

The mechanism used relies on arbitrage. Since CUSD is a stablecoin pegged to the US dollar, it needs to remain pegged to the US dollar. It can happen in several ways.

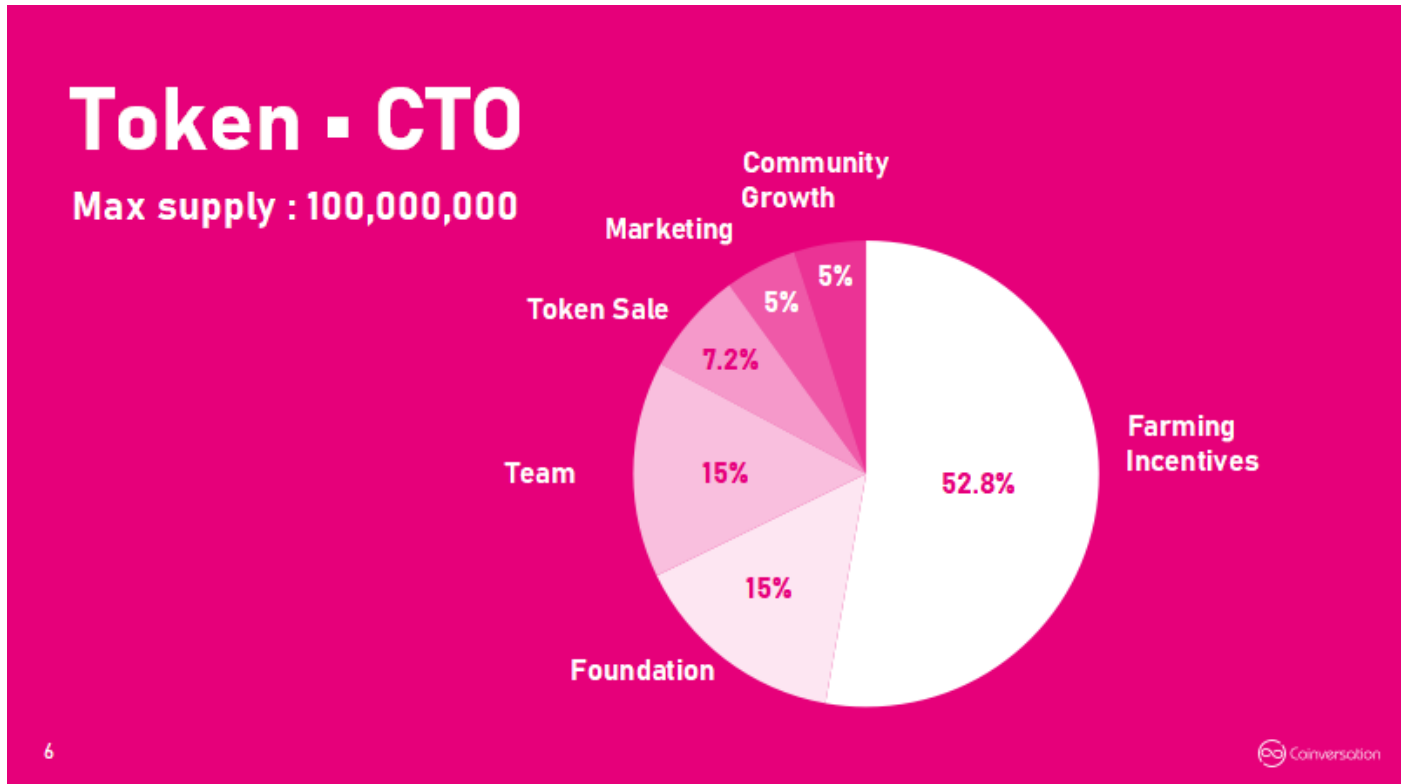
- A user holding CUSD debt may notice that CUSD is trading in a sub-\$1 market and decide to buy some CUSD at that discount to pay off some debt. Relative to its volume, this purchase of CUSD will have a price increase effect.
- A user holding a component (valid collateral) may notice that CUSD is trading above \$1 in one market and decide to open a position and sell the borrowed CUSD for use elsewhere. This deal will have a price reduction effect relative to its quantity.
- Users who hold other cryptocurrencies (stablecoins or not) may see CUSD traded differently on the two markets above and decide to buy CUSD on one market where the price is below \$1 and at a price of sold on another where for \$1 or more. This can also happen in reverse.

In most cases, many market arbitrage is done by robots that constantly monitor markets to find opportunities to earn from these price gaps. The advantage is it can quickly fix the price gap.

Tokenomic

Total Supply: 100,000,000

The token of this project is \$CTO.



Main Functional Modules

The main functional modules of the whole system are: Mint center, Oracle, Cross-chain Interest, Platform Revenue, Liquidity Mining, Liquidation.

Mint Center

The CUSD generated by the whole system users mortgaging certain collateral. The collateral includes interest-bearing tokens such as CTO and DOT, and users can choose the proportion of CUSD they need to exchange. If stable currency is used as collateral, because it is an interest-bearing product, its leverage ratio will continue to decrease and it will never be liquidated.

Oracle

Since the price of mortgage forging needs to be integrated from outside network, the oracle is the most important. The initial system will use off-chain oracle such as our partner Chainlink, DIA to ensure the stability of our forging and liquidation. We will work with multiple oracle to ensure users' assets.

Cross-chain Interest

When users put interest-bearing tokens such as CTO and DOT into our platform, the platform will show what chain they put into, what products they put into, and what the comprehensive rate of return is.

Platform Revenue

When users put in interest-bearing tokens and generate interest automatically. We will charge a certain percentage of the fee for the interest-bearing part, which we will vote on the chain to determine our percentage. This income will give dividends to \$CTO collateralized users, and later we will bind with nodes and distribute rewards to users who vote for nodes. The fee for stable currency exchange will also enter the platform revenue.

Liquidity Mining

We will award \$CTO to:

- Users who form LP on Coinversation.
- Users who form CUSD-LP
- Users who stake \$CTO

Liquidation

The liquidator on the chain can become our liquidation robot. He will receive 5% of the total amount of liquidation as a reward. Anyone can participate in our liquidator. If bad debts occur, we will repay the entire mortgage system from the platform revenue.

System workflow

We will use the feature of Polkadot, which can seamlessly generate interest on multiple chains.

Advantage

Users who hold DOT, ASTR, and other assets can generate interest-bearing tokens (such as kSDN, kASTR) by staked through our DEX (KACO). We will also support the generation of interest-bearing tokens by LP, including stablecoin LPs. Users can deposit the interest-bearing tokens into the Coinversation application for lending and improve the utilization rate of user assets. You can also stake and mine in the Coinversation protocol so that you can reap more benefits.

Roadmap

2022 Q1

- (1) Integrate more oracle to improve the stability of the whole liquidation module and Minting module.
- (2) Complete and launch the vault function
- (3) Complete the development in EVM version
- (4) Redesign tokenomic
- (5) Coinversation protocol launch

2022 Q2

- (1) Complete the interest-bearing asset protocol with stable currency
- (2) Complete the function of liquidation
- (3) Integrate more projects to help users realize interest generation

2022 Q3

- (1) Complete the lending function
- (2) WASM contract development