

The DAI logo, featuring the word "DAI" in a blue-to-purple gradient font, positioned over a white stylized "D" symbol. The logo is centered within a light orange circle, which is itself centered within a larger light blue circle. The background consists of overlapping light blue and light orange circular shapes.

DAI

Decentralized Finance Study Case

What is Stablecoin

Stablecoin

🌐 22 languages ▾

Article [Talk](#)

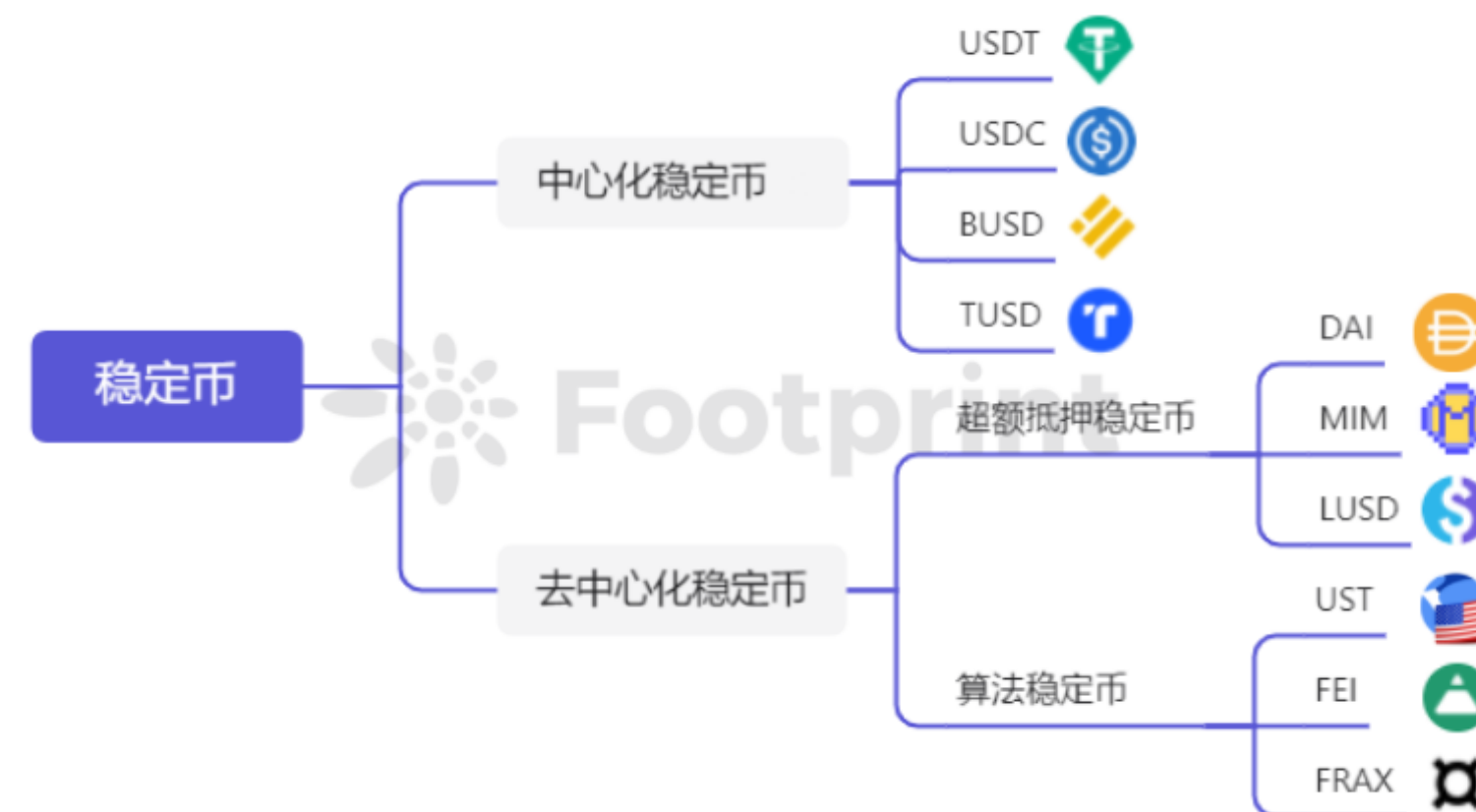
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From Wikipedia, the free encyclopedia



A **stablecoin** is a type of [cryptocurrency](#) where the value of the digital asset is supposed to be [pegged](#) to a reference asset, which is either [fiat money](#), [exchange-traded commodities](#) (such as [precious metals](#) or industrial metals), or another cryptocurrency.^[1]

In theory, 1:1 backing by a reference asset could make a stablecoin value track the value of the peg and not be subject to the radical changes in value common in the market for many digital assets.^[2] In practice, however, stablecoin issuers have yet to be proven to maintain adequate reserves to support a stable value and there have been a number of failures with investors losing the entirety of the (fiat currency) value of their holdings.



<https://defillama.com/stablecoins>

Stablecoin Market

<https://defillama.com/stablecoins>

Total Stablecoins Market Cap
\$139.942b

USDT Dominance
70.08%

Name	Chains	% Off Peg	1m % Off Peg	Price	1d Change	7d Change	1m Change	Market Cap
1 Tether (USDT)	+62	-0.03%	+0.40%	\$1	+0.19%	+0.42%	+2.19%	\$98.075b
2 USD Coin (USDC)	+61	-0.13%	+0.50%	\$1	+0.81%	+1.36%	+8.44%	\$27.221b
3 Dai (DAI)	+33	+0.10%	+0.30%	\$1	+0.48%	-0.01%	-5.00%	\$4.895b
4 First Digital USD (FDU...)		-0.03%	+1.20%	\$1	+1.04%	+21.03%	+34.79%	\$2.93b
5 TrueUSD (TUSD)	+4	-2.81%	-2.81%	\$0.97	-0.35%	-0.49%	-22.14%	\$1.223b
6 USDD (USDD)		+0.10%	-0.82%	\$1	+0.09%	+0.14%	+2.52%	\$739.17m
7 Frax (FRAX)	+13	-0.12%	+0.50%	\$1	+0.16%	+0.06%	-0.10%	\$648.67m
8 Ethena USDe (USDe)		+0.10%	-0.63%	\$1	+12.32%	+75.99%	+274%	\$492.08m

DAI

MakerDao

DAI is one of best known stable coins.
DAI is not an algorithmic stable coin.



Generally, money has four functions

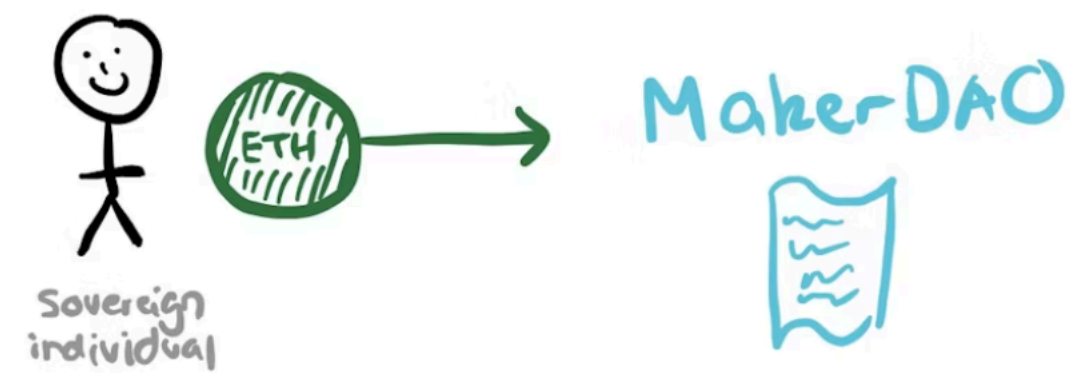
1. A store of value
2. A medium of exchange
3. A unit of account
4. A standard of deferred payment

How does it work

MakerDAO

Collateralized Debt Position (CDP)

Step ① ETH deposited to open CDP



Step ② Draw DAI



Step ③ Pay back DAI to unlock ETH



Stability Fee

Low stability fee

More CDPs opened

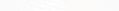
More DAI sold on open markets
(more sell pressure)

High stability fee

More CDPs closed

Less DAI on market
(more buy pressure)

How to Borrow MakerDao



Open ETH-B Vault

Current Price **\$3,258.92** | Next Price **\$3,258.92** < 2 minutes (0.00%)

VaultID T.B.D ⓘ

Stability Fee 7.24% ⓘ

Liquidation Fee 13% ⓘ

Min. collateral ratio 130% ⓘ

Dust Limit \$25,000.00 ⓘ

Configure your Vault

Deposit ETH

1

~ 3,258.92 USD



You cannot deposit more collateral than the amount in your wallet

Generate DAI

From 25,000.00 DAI

2,000

This vault type requires a minimum of 25,000.00 Dai to be generated. Read more about the Minimum Vault Debt [here](#).

Vault changes

Collateral Locked

0.00 ETH → 1.0000 ETH

Collateralization Ratio

0.00% → 162.94%

Liquidation Price

\$0.00 → \$2,600.00

Vault Dai Debt

0.00 DAI → 2,000.00 DAI

Available to Withdraw

0.00 ETH → 0.2021 ETH

Available to Generate














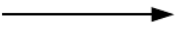

0.00 DAI → 506.86 DAI

Max gas fee 

n/a

System Architecture

MakerDao

Index	
Users	
Migration	
Governance Module	
System Stabilizer Module	
Collateral Module	
CDP Core Module	
Rates Module	
Dai Module	
Oracle Module	
Proxy Module	
Emergency Shutdown Module	
MKR Module	
Shutdown	
Auth Calls	
Public Calls	
Gov Calls	