KEEP CALM AND HODL

Whitepaper 2.02

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Abstract

This paper introduces Keep Calm and Hodl, an ambitious, open-source, community-backed, fully decentralized cryptographic token following the ERC20 standard on the Ethereum blockchain, of ticker KCH

The KCH is an Ethereum based (ERC20) token provided by Keep Calm and Hodl. It's aiming to create large not-removable liquidity on Uniswap for KCH/ETH pair.

Introduction

What is HODL?

HODL is a term derived from a misspelling of "hold" that refers to buy-and-hold strategies in the context of bitcoin and other cryptocurrencies.

Understanding HODL

The term HODL (or hodl) originated in 2013 with a post to the bitcointalk forum. The price of bitcoin had surged from under $15 in January 2013 to a high of over $1,100 at the beginning of December 2013. In the 24 hours to 10:00 a.m. UTC, Dec. 18 – possibly in response to reports of a Chinese crackdown – the price of bitcoin fell 39%, from $716 to $438, according to CoinDesk's bitcoin price index.

I AM HODLING

At 10:03 a.m. UTC on Dec. 18, GameKyuubi posted "I AM HODLING," a drunk, semi-coherent, typo-laden rant about his poor trading skills and determination to simply hold his bitcoin from that point on. "I type d that tyitle twice because I knew it was wrong the first time. Still wrong. w/e," he wrote about the now-famous misspelling of "holding." "WHY AM I HOLDING? I'LL TELL YOU WHY," he continued. "It's because I'm a bad trader and I KNOW I'M A BAD TRADER. Yeah you good traders can spot the highs and the lows pit pat piffy wing wong wang just like that and make a millino bucks sure no problem bro."

He concluded that the best course was to hold, since "You only sell in a bear market if you are a good day trader or an illusioned noob. The people inbetween hold. In a

zero-sum game such as this, traders can only take your money if you sell." He then confessed he'd had some whiskey and briefly mused about the spelling of whisk(e)y.

Within an hour HODL had made its way into memes: the movies *300* and *Braveheart* provided the initial source material, but there are now countless HODL memes floating around the internet.

Vision : HODL as Strategy and Philosophy

HODL soon became a byword for an approach to cryptocurrency investing that shuns trading based on short-term price moves. This approach mirrors GameKyuubi's rationale: novice traders are likely to botch their attempts to time the market and lose money or make less than they would simply holding onto their coin.

Short-term swings aside, bitcoin's long-term volatility defies familiar logic. The price shot up by 52,000% from 2011 to 2013, then plunged by more than 80% over the following year. Since then it has shot to more than 17 times its previous high, only to fall again by half. Throughout the history of the cryptocurrency, credible voices have made logical arguments that it would go "to the moon" or crash to zero.

Hodlers wash their hands of all this volatility and prognostication. They simply hodl, which helps them to counteract two common destructive tendencies: FOMO (fear of missing out), which can lead to buying high, and FUD (fear, uncertainty, and doubt), which can lead to selling low. The latter is occasionally referred to as SODLing.

For hard-core believers in cryptocurrency, known as maximalists, HODL represents more than a strategy for reigning in FOMO, FUD, and other profit-eroding emotions. These true believers hodl because they think cryptocurrencies will eventually replace fiat currencies and form the basis of all future economic structures. They, therefore, see the fiat exchange rate of cryptocurrencies as irrelevant.

Predictably, a meme best captures this maximalist philosophy. Neo (from *The Matrix*) asks Orpheus, "What are you trying to tell me, that I can trade my bitcoin for millions someday?" Morpheus responds, "No Neo, I'm trying to tell you that when you're ready … you won't have to."

Generale Properties

The KCH contract conforms fully with the ERC-20 token standard, as proposed in EIP-20. This is essentially a set of functions that a token contract must implement in order to be an ERC-20 token.

This ERC-20 standard compliance means that applications, websites, exchanges, and smart contracts can very easily integrate with or be built on top of the KCH contract.

Token Specification

- **Name:** Keep Calm

- **Symbol:** KCH

- **Organisation :** Keep Calm and Hodl

- **Ethereum ERC-20 Smart Contract Address:**

  0xdB80734b094a3F964DEdfD10e8946753aE0AC04c

- **Ethereum Uniswap KCH/ETH Trading Pair:**

  https://info.uniswap.org/pair/0x3bca217b298187d39eb122110b4edd756c3b5745

Uniswap

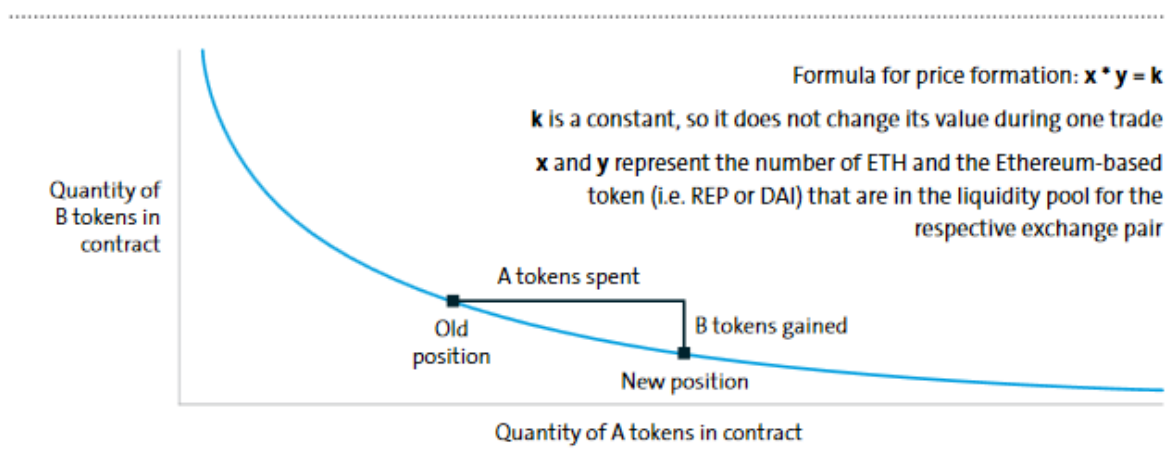Uniswap is a completely decentralized exchange for ETH and other tokens that are issued on the Ethereum blockchain, for example Keep Calm and Hodl token. Uniswap provides two main use cases: users can provide liquidity for others who want to exchange tokens or they can exchange tokens against each other. If you provide liquidity, you earn a commission fee of all trades being made by traders. In the following we will take a closer look at the two use cases:

1. Bob wants to provide liquidity for a so-called liquidity pool. First, he has to decide on a specific Ethereum-based token for which he wants to provide liquidity. Bob opts for the KCH token. If Bob now wants to provide KCH tokens worth 100 USD to the KCH liqui-dity pool, he must also provide ETH to the same amount, i.e. also ETH worth 100 USD. Bob would then have invested 200 USD. All users who provide liquidity for his pool would then earn 0.3% of the commission fee on every trade that takes place in the ETH-KCH currency pair. How much Bob earns exactly on all commissions in the ETH-KCH pool depends on his share of the total ETH-KCH liquidity pool. Bob can withdraw his liquidity from the pool at any time.

2. Next, Bob would like to swap ETH for DAI. This is very simple: Bob selects the appropriate currency pair and is directly offered the price. With one click Bob exchanges the tokens, paying a commission fee of 0.3%. He would pay twice the commission fee (0.6%) if he were to exchange DAI for KCH, because Uniswap performs two swaps in the background: first DAI for ETH, and then ETH for KCH. Now, imagine that Bob accidentally enters 1,000 ETH inste-ad of 1 ETH, and the price for the swap suddenly becomes much more expensive. To unders-tand why this is the case, we must to take a closer look into Uniswap's pricing mechanism.

Pricing with Uniswap

With Uniswap, price determination does not work via an order book and active market making, as is the case with centralized exchanges, but fully automatically via a formula called Automa-ted Money Making (AMM) Curve Function:

Formula for price formation: **x * y = k**

k is a constant, so it does not change its value during one trade

x and **y** represent the number of ETH and the Ethereum-based token (i.e. REP or DAI) that are in the liquidity pool for the respective exchange pair

Quantity of B tokens in contract

A tokens spent

Old position

B tokens gained

New position

Quantity of A tokens in contract

The curve displayed here shows all possible prices for the currency pair A-B, for example KCH-ETH, with KCH being another Ethereum-based token. If a swap of 10 ETH against 139 KCH takes place, the share of KCH in the liquidity pool is reduced by 139, but the share of ETH increases by 10. Since k in the equation $x * y = k$ always remains the same, the price of this currency pair in the Uniswap exchange now changes. But not for long, because arbitrage traders will use price differences between exchanges, whether centralized or decentralized, at any time, and the price difference between the exchanges will quickly decrease, especially in currency pairs with high liquidity, i.e. big liquidity pools on Uniswap. In order to keep this white paper as concise as possible, we won't dive deeper in the pricing mechanism of Uniswap, however we recommend the interested reader to play with the price mechanics or find a more detailed explanation of the Automated Market Making formula.
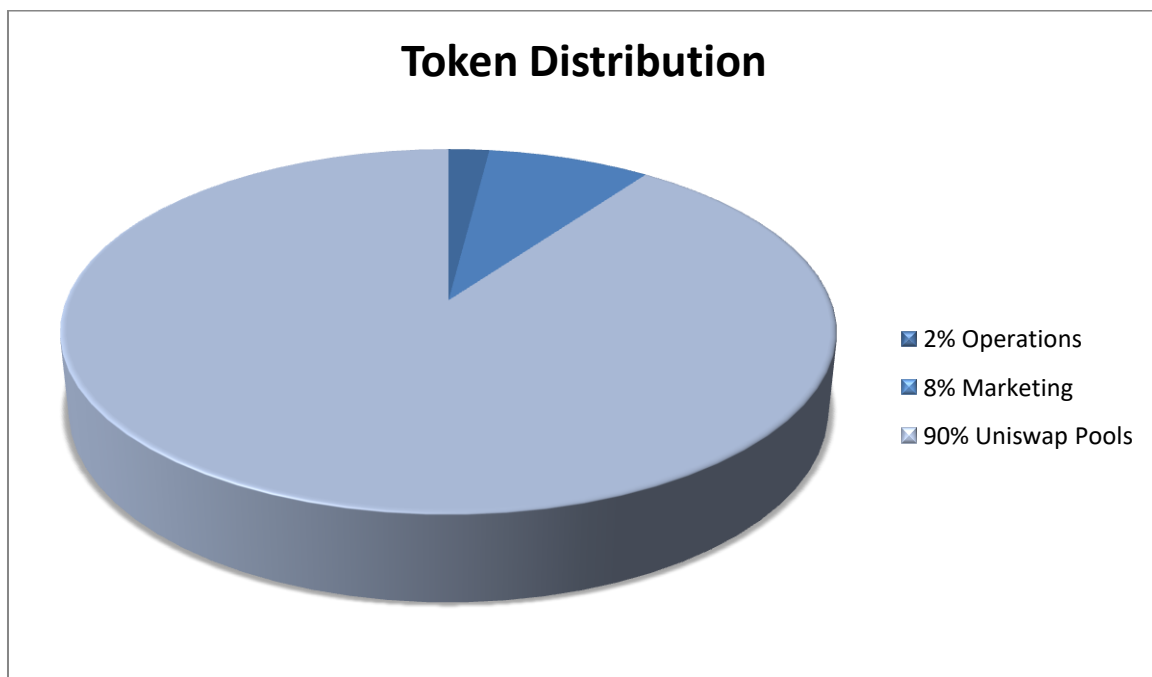
Uniswap does not aim to replace centralized exchanges, but to complement them. Its price correctness is based on arbitrageurs. So-called whale trades (very, very large sums of money traded) will probably not happen in the next few months on Uniswap, and certainly not in currency pairs with low liquidity, as it is highly likely that they would have to pay more for their tokens than on other exchanges. Uniswap will, however, contribute to the efficiency of the pricing of the entire crypto-market as it is another exchange that functions completely decen-tralized and is therefore less vulnerable to manipulation.

Another exciting advantage of Uniswap is that every user is able to open a new swap pair with KCH. For any new token that is compatible with the Ethereum blockchain, this quickly offers new trading possibilities.

Distribution

Token Distribution

- 2% Operations
- 8% Marketing
- 90% Uniswap Pools

Roadmap

Q1 -2020 - Birth of the project

Q2 - 2020 - Creation of the Team

Q4 -2020 - Token issue

Q4 -2020 - First Sales

Q4 - 2020 - First DEX listing

Q4 - 2020 - Bounty

2021 - Airdrops

2021 - Listing on Centralised Exchanges

2021 - Staking and Yield Farming Pool

The following information is being shared in order to outline some of our current product plans, but like everything else in life, even the best laid plans get put to rest. We are hopeful that the following can shed some light on our roadmap, but it is important to understand that it is being shared for INFORMATIONAL PURPOSES ONLY, and not as a binding commitment. Please do not rely on this information in making purchasing decisions because ultimately, the development, release, and timing of any products, features or functionality remains at the sole discretion of KCH, and is subject to change.

Conclusion

The Keep Calm and Hodl team sincerely hopes that our efforts to provide the general public with a trustless, decentralized, interest-bearing instrument will bear fruit, and that KCH will be a great success. But, we can't achieve these goals without the help of the community around us.

The KCH project was started not with the intention to profit, but from the desire to create something incredibly useful for the world. We hope this document has made our vision and intentions clear.

We welcome any questions, comments, or criticism you may have. We also have some need for various types of contributors to the project.