STABILIZE (SBLZ)

Earn yield by maintaining stablecoin peg

Background:

Stablecoins have value because they are stable and attempt to stay pegged to $1 USD. Sometimes they deviate with sudden demand changes or protocol shocks. Stabilize is a project that uses incentives to return major stablecoins (DAI, USDC, sUSD, USDT) back to their pegs.

How does it work:

The Stabilize token (SBLZ) is rewarded to those that deposit stablecoins into the protocol. When a stablecoin is below its peg, it receives a larger proportion of the total reward. When it is above its peg, it receives a smaller proportion of the total reward. This encourages users to sell stablecoins above their peg and buy stablecoins below it. There are no stablecoin liquidity pools utilized in Stabilize thus limiting impermanent loss for depositors.

Pools:

Initially there will be 5 pools on Stabilize:

- DAI
- USDC
- USDT
- sUSD
- SBLZ/ETH Uniswap LP

SBLZ/ETH Uniswap LP pool is needed to create liquidity for the protocol and will collect a plurality of the reward (have the highest APY).

Tokenomics:

There will be a total of **1,000,000** SBLZ tokens created during its first 52 weeks/1 year. After the first year, its inflation rate will be **1%**, which is expected to be offset by a **per transaction burn rate** that starts **only after** the first year has ended to offset the inflation. This means every time someone sends SBLZ, there is a percent of that value that is burned. This encourages continued use of the protocol while preventing uncontrolled inflation.

1% of the total tokens emitted during the first year will go to the development team to bootstrap the project, manage audits, maintain the platform and pay for other services. After the first year, **0%** will be reserved for the development team.

There is no VC funding, no preselling of tokens thus when the protocol starts, there will be 0 tokens available initially.

Emission/Minting Rate:

Week 1: 76,000 SBLZ

Week 2: 57,000 SBLZ

Week 3: 38,000 SBLZ

Week 4: 19,000 SBLZ

Week 5-52: 16,875 SBLZ

Week 53 and onward: 1% yearly emission with a set per transaction burn rate

Those who deposit earlier will be rewarded with larger emissions of the SBLZ token to encourage early onboarding.

Governance:

Initially the development team will manage the platform to make it successful but the long term goal is to utilize the SBLZ token to manage important aspects of the protocol including emission rate, burn rates and stablecoin pools utilized.

Technical Details:

Since many people have been burned by various yield mining protocols, we want to be very transparent in how the protocol operates. There is no infinite mint function as the smart contracts themselves control the minting rate. What the team can do is change how many tokens get minted at the beginning of the next week. This will **not affect** the total supply at the end of the first year.

All contract modifications by the team requires a timelock of 24 hours. This includes pool changes, emission rate changes and ownership changes. This allows depositors enough time to determine whether they want to continue to use Stabilize.

Price oracles for the contracts will be sourced from decentralized protocols such as Compound. The price can only be updated at least once every 6 hours.

All periodic calls to the contract (price oracle updates, new week minting) can be called by anyone.