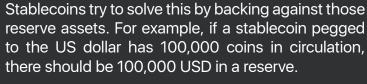
HOW DO THEY WOR

What are stablecoins?

Stablecoins are a type of cryptocurrency that are pegged to a reserve asset meaning fiat currencies like the US dollar or assets like gold that are physical and controlled by policymakers.

The aim of a stablecoin is to offer price stability. One of the main problems with standard cryptocurrency is the volatility of the prices. Bitcoin can suddenly crash and grow over the course of a short period of time, which is unpredictable and impractical.



This means that the stablecoins provide the usual benefits of virtual currencies, while also maintaining

a consistent value.

Although fiat currencies can be volatile in rare situations, the benefit is that the policymakers can control the supply and demand to keep the price stable. Standard cryptocurrencies don't have this luxury.

What are the different types of stablecoins?

There are three different types of stablecoin backed by different things.





Every fiat-collateralized stablecoin has a fiat reserve, where every coin is secured by with an equivalent value by a central custodian. Dollar is the most popular, but the reserve could also be something like gold or oil. The theory is that you can directly switch between your stablecoin and the fiat currency.

Crypto



Crypto-collateralized stablecoins are secured by virtual currencies. Of course, standard cryptocurrency is volatile, so this is usually overcome by employing overcollateralization. This means that a larger number of cryptocurrency tokens are held than there are stablecoins, which helps control any sudden swings.

010770 Non-collateralized

Non-collateralized stablecoins don't have a reserve. Smart contracts can be used to automatically increase or decrease token supply as the market demands it, like a fiat currency would do when it prints more notes.

Are stable coins risk free?

As with any currency, let alone cryptocurrency, stablecoins are not risk free. While the theory is that you should be able to trade your stablecoin for the underlying asset, it depends on how safe and liquid that asset actually is. If the stablecoin provider goes bankrupt, you may not see that money again.

It also depends on whether the stablecoin truly is backed 1:1. Tether is an example of one stablecoin that has been under fire over whether it actually has enough reserves to back its coin. After an uproar, it had to amend its website to clarify that it's also backed by loans.

It's important to look for a stablecoin that has its reserves independently verified, since that increases its trustworthiness, though it's still not guaranteed.

Tether (USDT)



Blockchain: Omni, Ethereum, TRON

Market cap: \$4.65b Backed: USD and loans Company: Tether Ltd.

Traded on: Bitfinex, BW, Kraken, BTSE, Binance

USD Coin (USDC)



Blockchain: Ethereum Market cap: \$450.8m Backed: USD

Company: Circle and Coinbase Traded on: Binance, Kraken, Float SV

Paxos Standard (PAX)



Blockchain: Ethereum Market cap: \$218.54m Backed: USD Company: Paxos

Traded on: BW, ZBG, Binance, **BigONE**

TrueUSD (TUSD)



Blockchain: Ethereum Market cap: \$141.14m Backed: USD Company: TrustToken Traded on: BW, ZBG, Binance, Bittrex, Bitsdaq

Multi-collateral DAI (DAI)



Blockchain: Ethereum Market cap: \$104.62m Backed:

Ethereum, Basic Attention Token

Company: MakerDAO

Traded on: Coinbase, Kraken, Bitfinex

STASIS EURO (EURS)



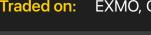
Blockchain: Ethereum Market cap: \$35.61m Backed: Euro Company: STASIS Traded on: HitBTC, TokensNet,

Bitfinex, DSX

Single Collateral DAI (SAI)



Blockchain: Ethereum Market cap: \$25.49m Backed: USD Company: MakerDAO Traded on: EXMO, OKEx





USDK (USDK) Blockchain: Ethereum

Market cap: \$28.68m Backed: USD Company: OKLink

Traded on: OKCoin, Bitfinex

Blockchain: Ethereum

Binance USD (BUSD)



Market cap: \$20.25m Backed: USD Company: Paxos, Binance Traded on: Binance, Eterbase

CryptoFranc (XCHF)



Blockchain: Ethereum Market cap: \$10.24m Backed: Swiss Franc Company: Bitcoin Suisse AG Traded on: Bitfinex, Idex, Uniswap