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Security Is the Biggest Challenge for DeFi's Continued Growth, Says Exec

The founder of blockchain security company Quantstamp, Richard Ma, said security is the biggest challenge for DeFi's growth.

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Richard Ma, the CEO and co-founder of the blockchain security startup Quantstamp, explained that decentralized finance has the potential to change our financial ecosystem but security remains a huge challenge.

"We think security is very crucial for DeFi's growth," he said at the Unitize digital conference today. Ma noted the several DeFi hacks that occurred so far in 2020, stating that \$26 million worth of funds were stolen from DeFi projects this year alone.

Rising interest in DeFi

The DeFi ecosystem grew almost three fold from \$700 million in December 2019 to \$2 billion at present. Reflecting on this growth, Ma said:

"It indicates a desire for an alternative financial system because as you see with COVID-19, banks are printing more and more money and interest rates that are available in the traditional financial system are quite low. So, people are looking for better options."

He specifically noted the expansion of DeFi project Compound and said that almost \$700 million has flown into DeFi projects to gain yields that are far more compared than those offered by the traditional financial system.

But security issues persist

According to Ma, while DeFi projects promise financial inclusion, better interest rates, and

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hackers inflate the values of some assets temporarily and deposit them to a lending protocol and then borrow a different asset using the manipulated price.

As these projects are decentralized and there's no way to track and restore illegal transactions, "it's crucial to have proper security ahead of time." Apart from security audits, focusing on live security monitoring, increased transparency, and insurance will be the way forward to increasing DeFi's potential, Ma concluded.

#Blockchain #Security #BlockShow #DeFi #Decentralized Finance

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5 MINUTES AGO

These 10 Bitcoin price indicators say BTC is now a buy or 'strong buy'

An almost clean bullish sweep for on-chain indicators suggests that now is an ideal entry point for buyers, says data analyst firm CryptoQuant.

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Bitcoin (BTC) is a firm “buy” according to a range of on-chain indicators that are flashing bullish this week.

Collected by on-chain monitoring resource CryptoQuant, a total of ten indicators are currently telling investors to enter the market now.

CryptoQuant: Bitcoin indicators “healthy”

Of the eleven items that form CryptoQuant’s market overview, eight are classified as “buy” and two as “strong buy” for Bitcoin. Only one is “neutral,” while none are “sell.”

“Long-term \$BTC on-chain indicators look healthy,” CryptoQuant summarized on Twitter.

The two strongest buy signals come from the so-called stablecoin supply ratio (SSR) and exchange stablecoin reserves.

As Cointelegraph recently reported, both indicators have already given bullish hints about trader sentiment, and continue despite mixed price activity.

SSR refers to the purchasing power of stablecoin holders relative to the Bitcoin price. Even at \$11,400 late last month, buyer support was strong, and conditions remain ideal at current price levels.

Bitcoin stablecoin supply ratio historical chart. Source: CryptoQuant

BTC technicals are in the green

The indicators add to the overall positive impression being given by Bitcoin’s technicals this month.

In terms of network fundamentals, hash rate and difficulty are both either at or shortly set to hit all-time highs, underscoring miners' long-term optimism.

This week, statistician Willy Woo pointed to several other aspects showing that price action should now be upwards rather than downwards.

PlanB, the creator of the stock-to-flow Bitcoin price models, meanwhile called for BTC/USD to begin its next long-term leg up from \$10,000 towards \$100,000, pointing to the latest incarnation of his metric.

The only cautious words have come from those concerned about non-technical factors, such as global macro markets. Robert Kiyosaki, the author of "Rich Dad Poor Dad," warned on Tuesday that the discovery of a successful coronavirus vaccine alone would be enough to "crash" Bitcoin and other safe havens, at least in the near term.

#Bitcoin #Bitcoin Price #Markets

