

Lately, there has been many attempts for constructing a decentralized algorithmic stablecoin. It started with Ampleforth... and then Basis Cash and Empty set Dollar came along trying to take over. We also saw things like Mithril Cash(I had lots of fun farming these btw) and all sorts of degen shit going on. Now, there are Tribe, Frax, Luna, and even the paypal mafias are trying to make one(Reserve)

The way I see it, they basically all have the same problem

. They issue an algorithmic stablecoin that is backed by their governance token. The problem arises because the governance token has no value

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Then I thought to myself... Why can't uniswap issue a stablecoin backed by UNI token

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Uni token is backed by the future cashflow of fees generated by Liquidity Providers on Uniswap platform. It will be so much easier to issue a stablecoin backed by Uni token.

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image

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](<https://global.discourse-cdn.com/business6/uploads/uniswap1/original/2X/4/47f26f1535ac4fc7c4e13a74852b5cee9dafceb0.png>)

This is basically 99% of all algo-stablecoins. It is backed by itself, which makes zero sense.

But if uniswap issues a stablecoin, it is clearly different because it's backed by the liquidity fees

on uniswap platform.

목록 항목