

# SMART DIGITAL COIN

A fundamentally Bitcoin-Stable Cryptocurrency



## Table of Contents

1	Introduction	Page 2
2	Soft Peg Currency	Page 3
3	Why Bitcoin?	Page 4
4	Smart Digital Coin Equilibrium	Page 5
	a. Expansion	Page 6
	b. Contraction	Page 7
	c. Equilibrium	Page 8
5	Process	Page 9
6	Lapillus	Page 10
7	Token Allocation	Page 11
8	Roadmap	Page 12



## 01. Introduction

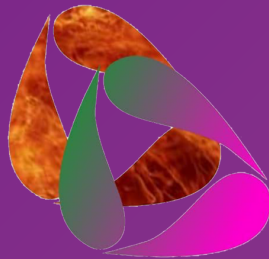
The cryptocurrency market is fast evolving every day. So many talented people are dedicated to creating value out of the blockchain technology. The tokens are constantly changing and adapting to the demands of the market. Many new coins are released regularly to push the decentralized finance or the Defi movement towards better scalable solutions. However, many of these projects lack certain factors like liquidity, network effect, adoption, etc due to which not all are capable to contribute to the Defi movement. Consequently, most of the projects face liquidation and insolvencies.

Inspired by Ampleforth, a cryptocurrency where its value is based on the US Dollar, Smart Digital Coin is an adaptive cryptocurrency that will expand or contract its supply automatically. As traders, we believe the market is always right, hence the market will decide SDC's valuation. The code behind SDC will execute a rebase every 24 hours at 06:00 EST to ensure all markets are conducting business at the same time.

Using a 24-hour model will ensure the price of 1 SDC is soft pegged to exactly 0.001 Bitcoin. This will be achieved by overriding the balance, every 24 hours, in every wallet holding SDC with respect to the percentage of the supply. A contraction and expansion algorithm determines the supply of SDC in relation to the price by constantly seeking equilibrium, numerous staking policies, and overall demand of the cryptocurrency market.

## 02. Soft Peg Currency

This new concept is unknown to many people so it may be difficult to understand. A soft pegged currency is tied to another currency. When a soft pegged currency has a significant difference from the main currency's price, the contraction or expansion algorithm will execute to bring price back to equilibrium which is also the "pegged" price (1 SDC = 0.001 BTC).



Soft Peg for SDC  
1 SDC = 0.001 BTC

### 03. Why Bitcoin?

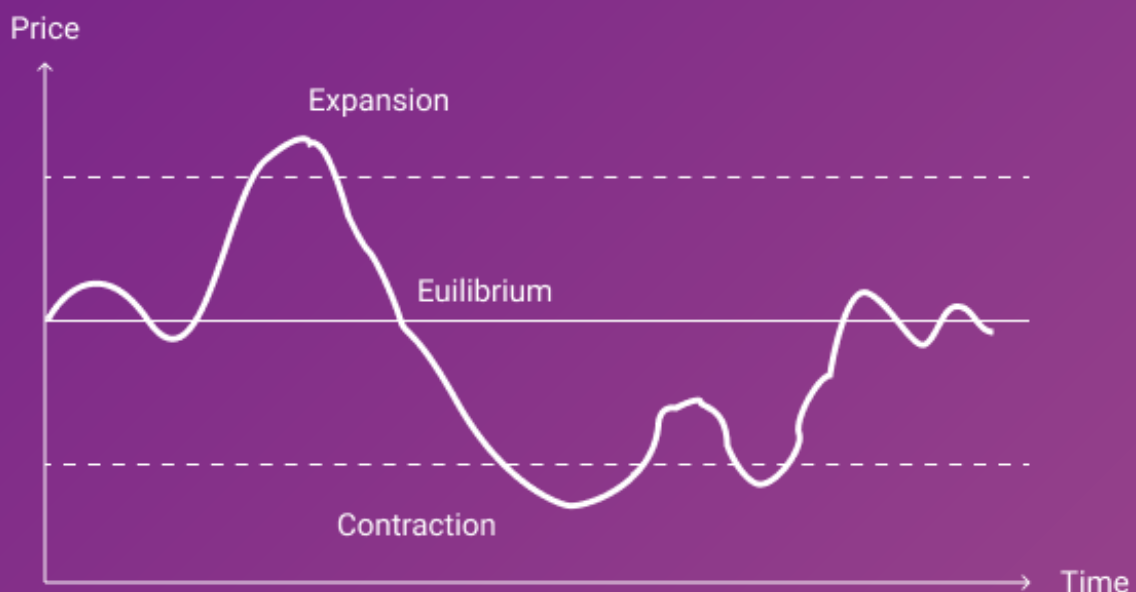
The oldest cryptocurrency that has a proven market background of 10+ years. Bitcoin is the perfect use case for SDH. According to Coinmarketcap, the price of 1 Bitcoin on September 1 was \$11,685, and comparing it's ATH price on December 17, 2017, it was \$19,934, it is clear that Bitcoin today has much potential to peak in the future.

Our analysts used a combination of market psychology, price action concepts (market structure, efficient price action and liquidity zones) and overall trends of parabolic movements as seen in numerous other assets. Using TradingView, the price of 1 Bitcoin can reach as high as \$50,000 in the parabolic advance phase of the market cycle.

This bullish trend is the primary reason why we chose Bitcoin as the coin to soft peg as this will cause a linear growth for SDC. As Bitcoin's price continues to rise in this new bull market, the price of SDC will trend closely.

### 03. Smart Digital Coin Equilibrium

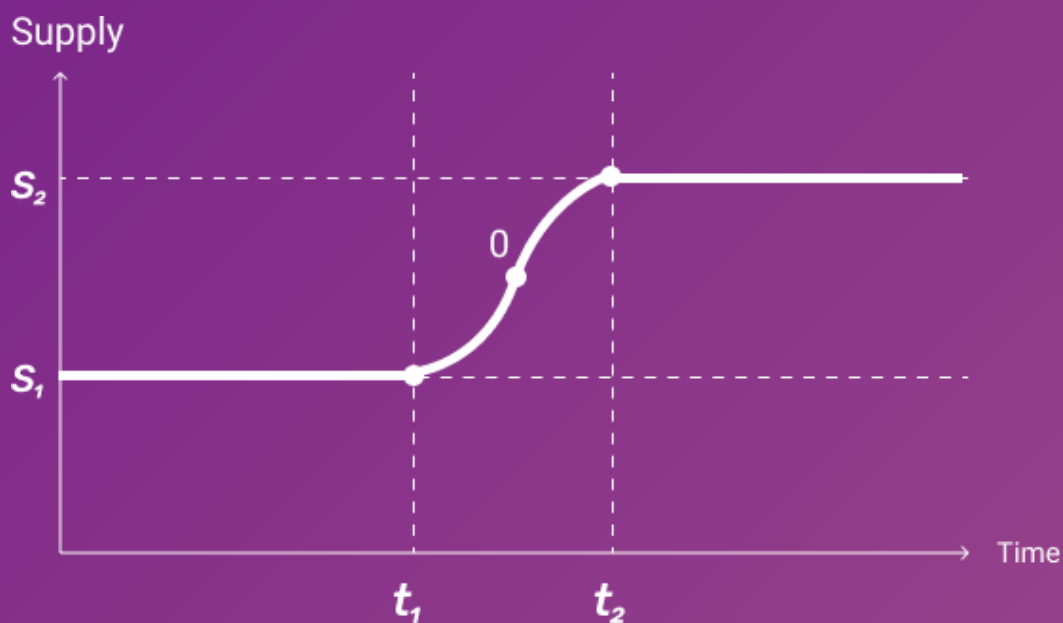
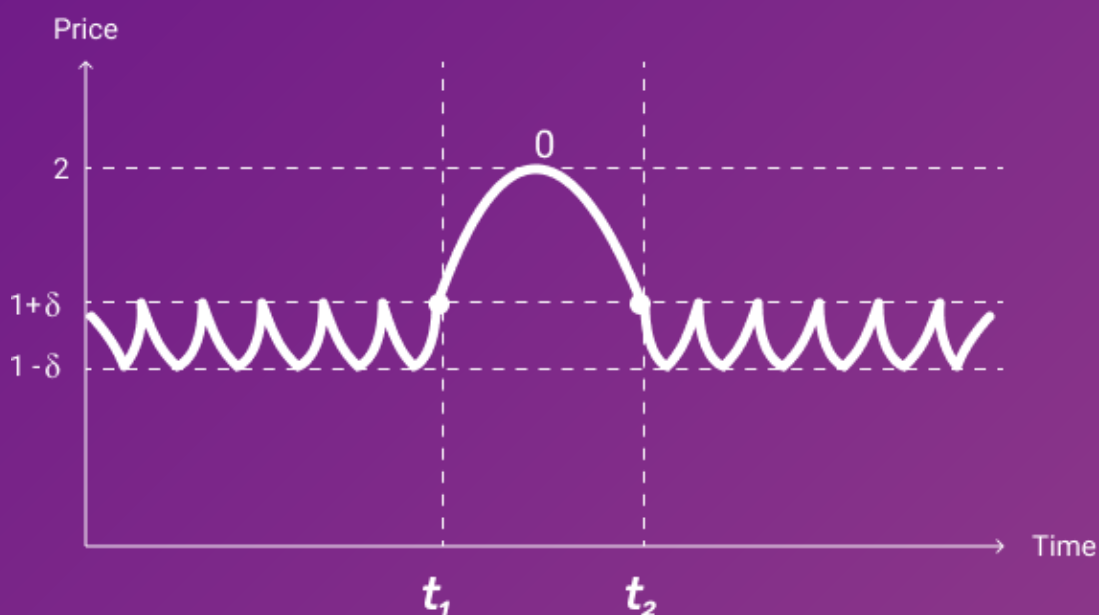
SDC employs an expansion & contraction algorithm with respect to the supply of SDC relative to the targeted price on daily basis. For example, if the trading price of SDC is above the targeted price of 0.001 BTC, the supply for every holder will expand. This leads to more SDC tokens for holders at the pegged price. This is expansion. The inverse can also happen if the SDC price is below the targeted price which reduces the supply to maintain equilibrium. This is called contraction. For example: A person at  $t_0$  sees 1 SDC worth 0.001 BTC. Later in the day at  $t_1$ , 1 SDC is worth 0.002 BTC. In order to achieve equilibrium, the person will now have 2 SDC worth 0.001 BTC after the rebase in over a certain period in time. The market cap is always determined by the formula:  $M = P * S$  where  $M$  is the market cap,  $P$  is the price of the token and  $S$  is the circulating supply of tokens.





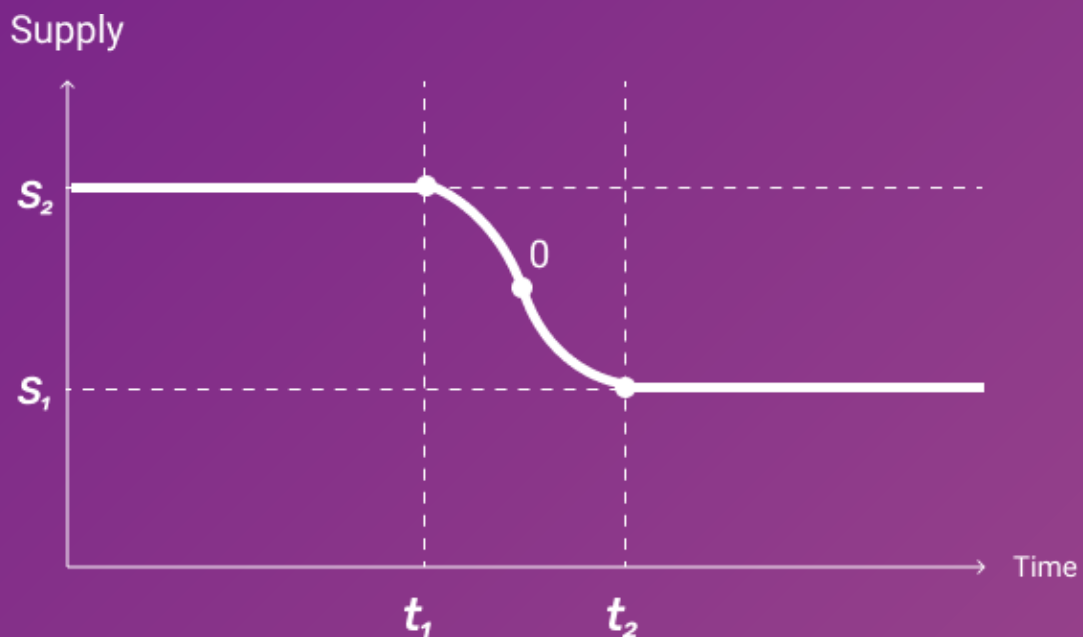
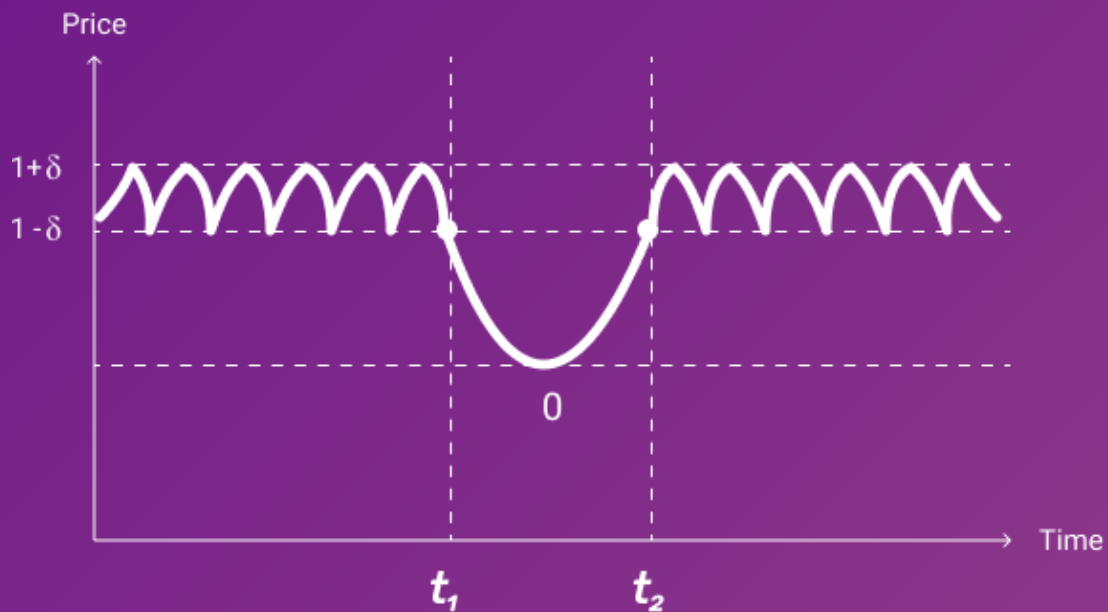
## A. Expansion

When the price of 1 SDC is greater than the price of 0.001 BTC, the algorithm, over time, will override readjust the wallet holder's balance to ensure the price of 1 SDC is 0.001 BTC.



## B. Contraction

When the price of 1 SDC is less than the price of 0.001 BTC, the algorithm, over time, will readjust and override the wallet holder's balance to ensure the price of 1 SDC is 0.001 BTC.







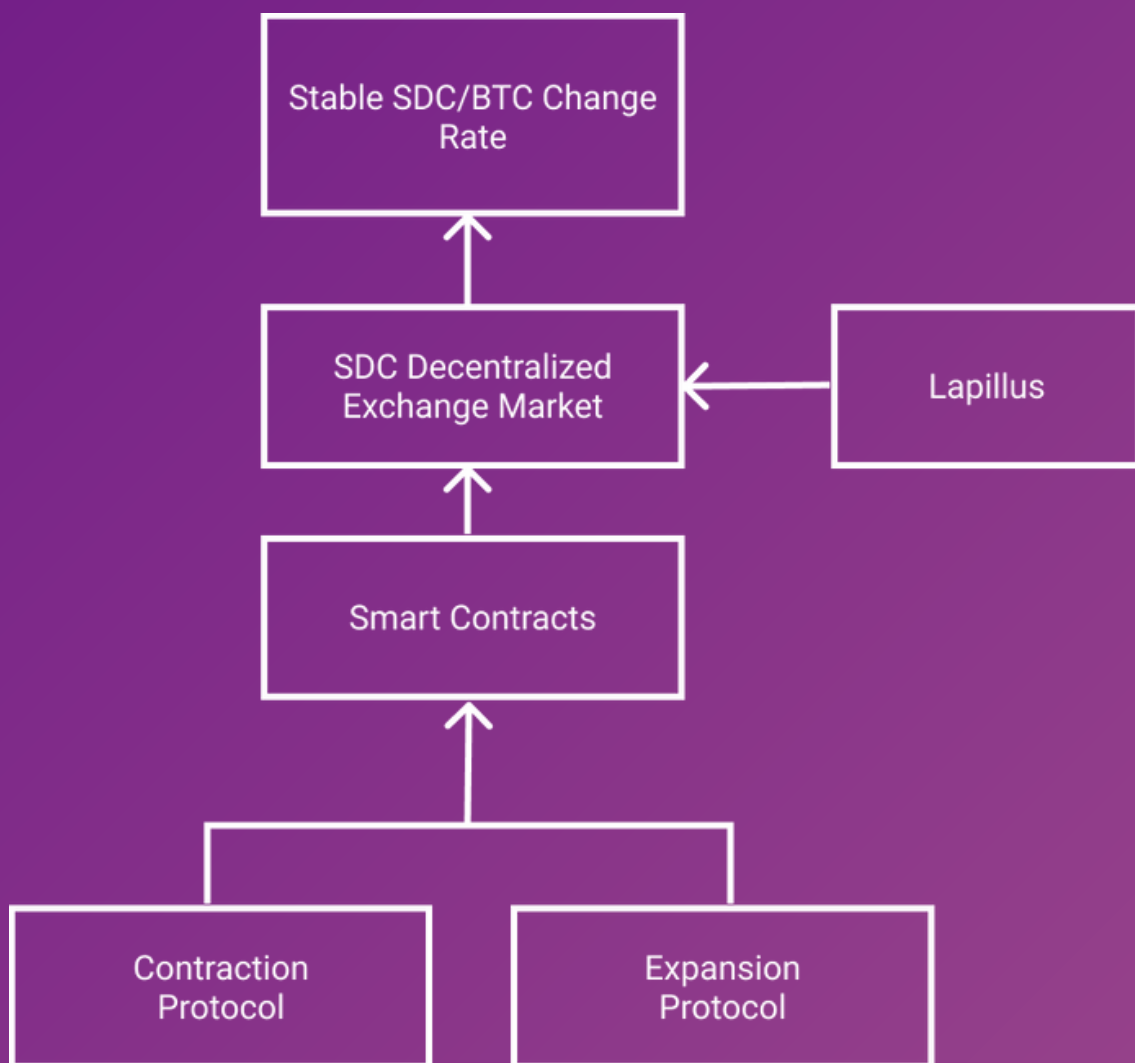
## C. Equilibrium

Equilibrium is achieved after the expansion or contraction which leads to a high or low price is within a 5% range as time goes by.



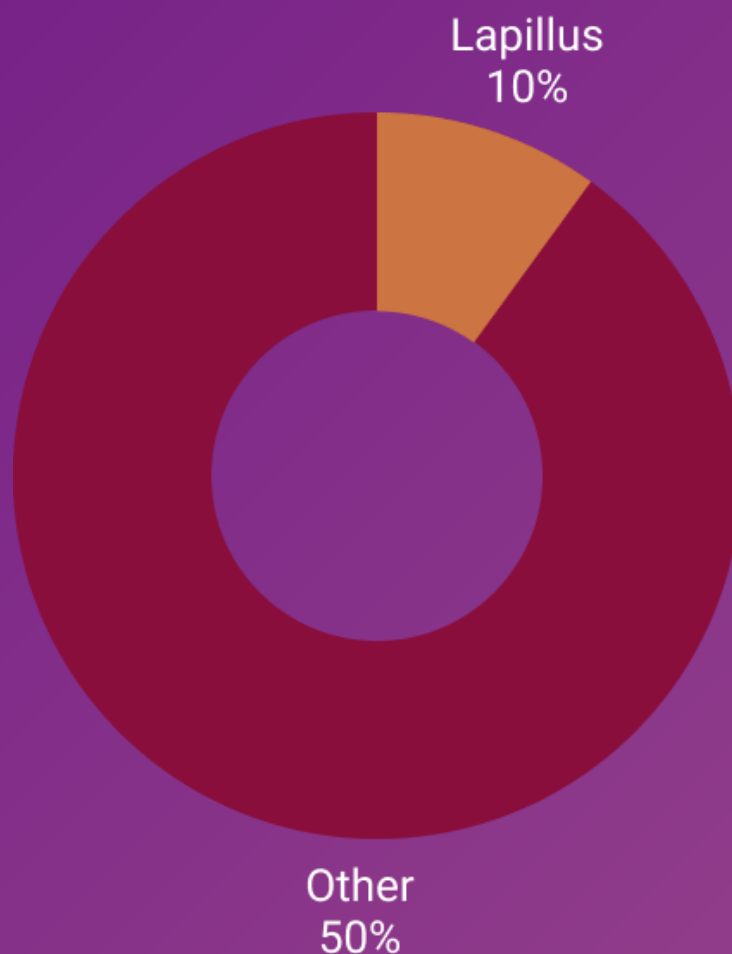
## 5. Process

To maintain a stable SDC to BTC price, the process can be visualized as shown below. Before rebasing the algorithm will detect whether to use the contraction or expansion protocol in order to maintain equilibrium. If the price is already in equilibrium, the algorithm will not initiate any protocol as long as the target price of 0.001 BTC is maintained.



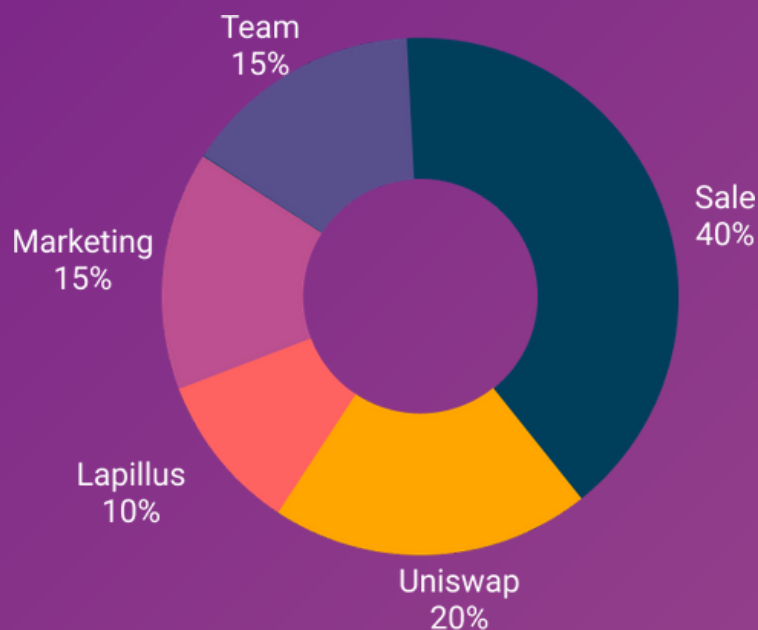
## 6. Lapillus

Part of the process is to utilize Lapillus to assist the algorithm to maintain price equilibrium. To achieve this, 10% of the total SDC supply will be allocated to Lapillus to ensure volatility is kept in check. Other methods will also be utilized to maintain this system, including buy backs from the market and extra funds allocated from team, marketing, etc.



## 7. TOKEN ALLOCATION

- Smart Digital Coin will have a maximum supply of 10,000,000 SDC tokens at the targeted price of 0.001 BTC.
- 4,000,000 SDC tokens (40%) will be allocated for the presale to initiate the project.
- 2,000,000 SDC tokens (20%) will be allocated for Uniswap listing.
- 1,000,000 SDC tokens (10%) will be allocated for the Lapillus foundation liquidity providers.
- 1,500,000 SDC tokens (15%) will be allocated to the team & developers of the project as well providing additional liquidity.
- 1,500,000 SDC tokens (15%) will be allocated to the marketing team. This will be used for promoting our vision and brand using influencers, enlisting on major exchanges and another source for liquidity.



## 8. ROADMAP

### October 2020

- SDC Emerges
- Whitepaper Released
- Token Presale
- Token Generation Event

### January 2021

- Uniswap Listing
- Staking via Lapillus
- Governance Litepaper Release
- Marketing with Crypto Influencers

### Future

- Governance Protocol Implementation
- Yield Farming