Financial Derivatives on the Blockchain Stablecoin - A literature survey

Robert Wessel Blokzijl TU Delft
Delft, The Netherlands
R.W.Blokzijl@student.tudelft.nl

***Abstract*—This is the abstract.**

It consists of two paragraphs.

***Index Terms*—stablecoin; blockchain; cryptocurrencies**

I. Introduction

Without stablecoins payments in bitcoin are converted to USD immediately in order to reduce risk. Stablecoins allow you to hold and trade the crypto rather than having to rely on a fiat currency.

II. Earlier work

Multiple

III. Collateralization (Pegging to Stable currencies)

The most common way to stabilise a currency is to hold some form of collateral. This stabilises the price of the currency by allowing holders of the currency to always buy and sell at a set price. Traditionally pegs of a currency to either gold or another currency have been controlled by a regulating authority holding a reserve of the underlying asset.

In the world of crypto,

Not going into crypto pegged Pegged to bitcoin: WBTC(btc)

A. *Collateralization by Centralisation*

Dollar: AnchorUSD, Gemini Dollar, Neutral Dollar(aggregate), PAXos, TrueUSD, USD Coin,

Euro: Augmint

Gold: Digix

B. *Collateralization by Crypto (Stability as a Service)*

To the Dollar: MakerDAO(eth), EOSDT(eos), BitUSD

1) Overcollateralization:
2) Pricefeeds:
3) Governance:

IV. Stability without Collateralization

Bay Stablecoin

Stabilising is not pegging

Changing parameters to make the currecy respond dynamically to price changes

A. *Indicators of price changes*

1) Supply: Hash rate
2) Demand: Transaction fees

V. Discussion

A. *Centralisation*

B. *Complexity and Ease of Use*

VI. Conclusion

cite[1].

VII. Future research

References

[1] U. W. Chohan, “Are stable coins stable? By :: SSRN.” https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3326823.