

Twitter Thread by [jump_crypto](#)



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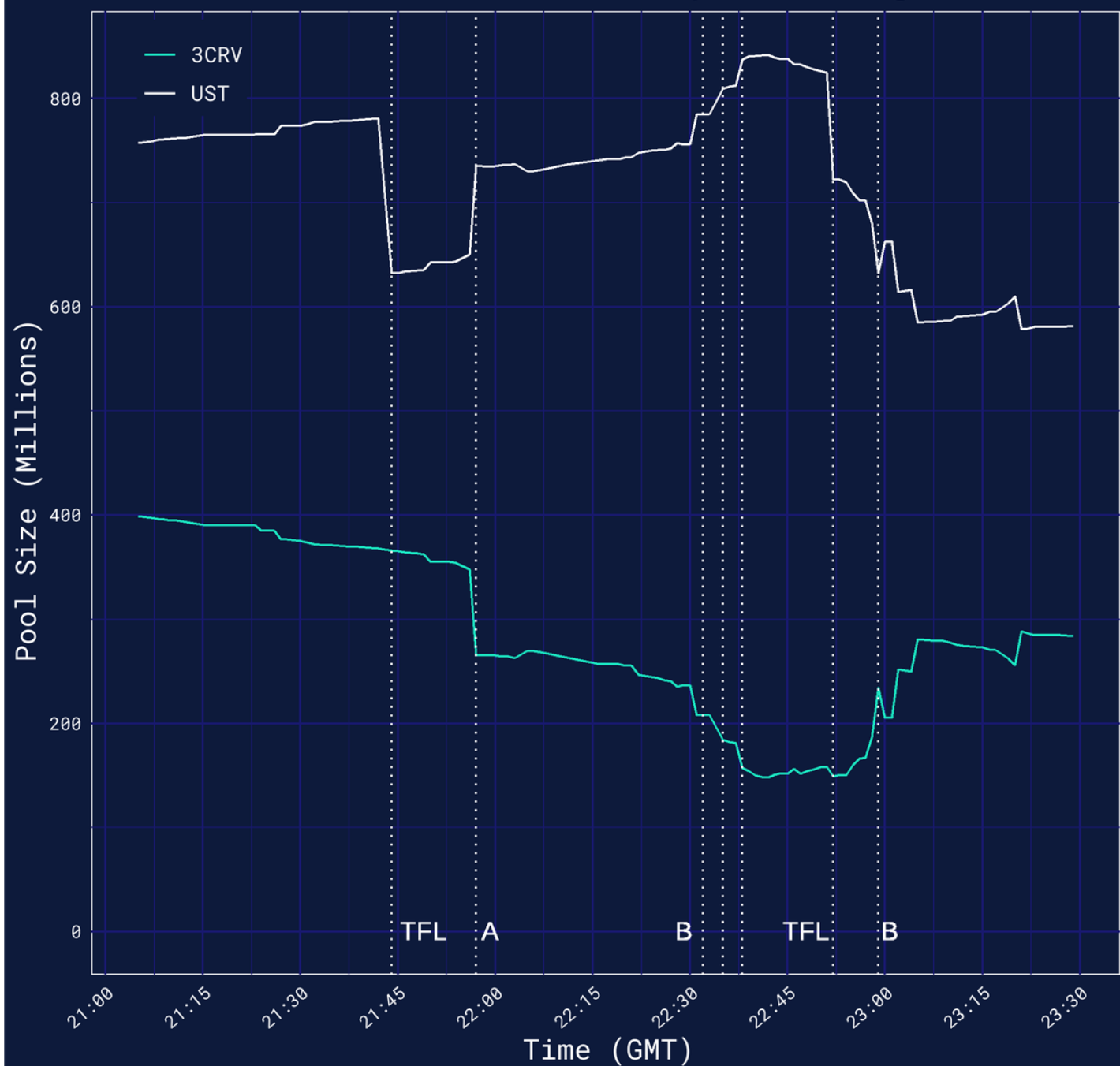
1/ Over the last few weeks, we at Jump Crypto have been studying the UST depegging and have three key observations.

The depegging of UST

2/ First, the episode was triggered by a combination of trades in the UST/3CRV pool during a seventy-five minute window on Saturday, May 7.

3/ These trades involved TFL withdrawing UST liquidity, and two wallets putting large UST sell orders through the pool, upsetting the pool's balance and depth.

Curve Pool Sizes (May 7, Evening)



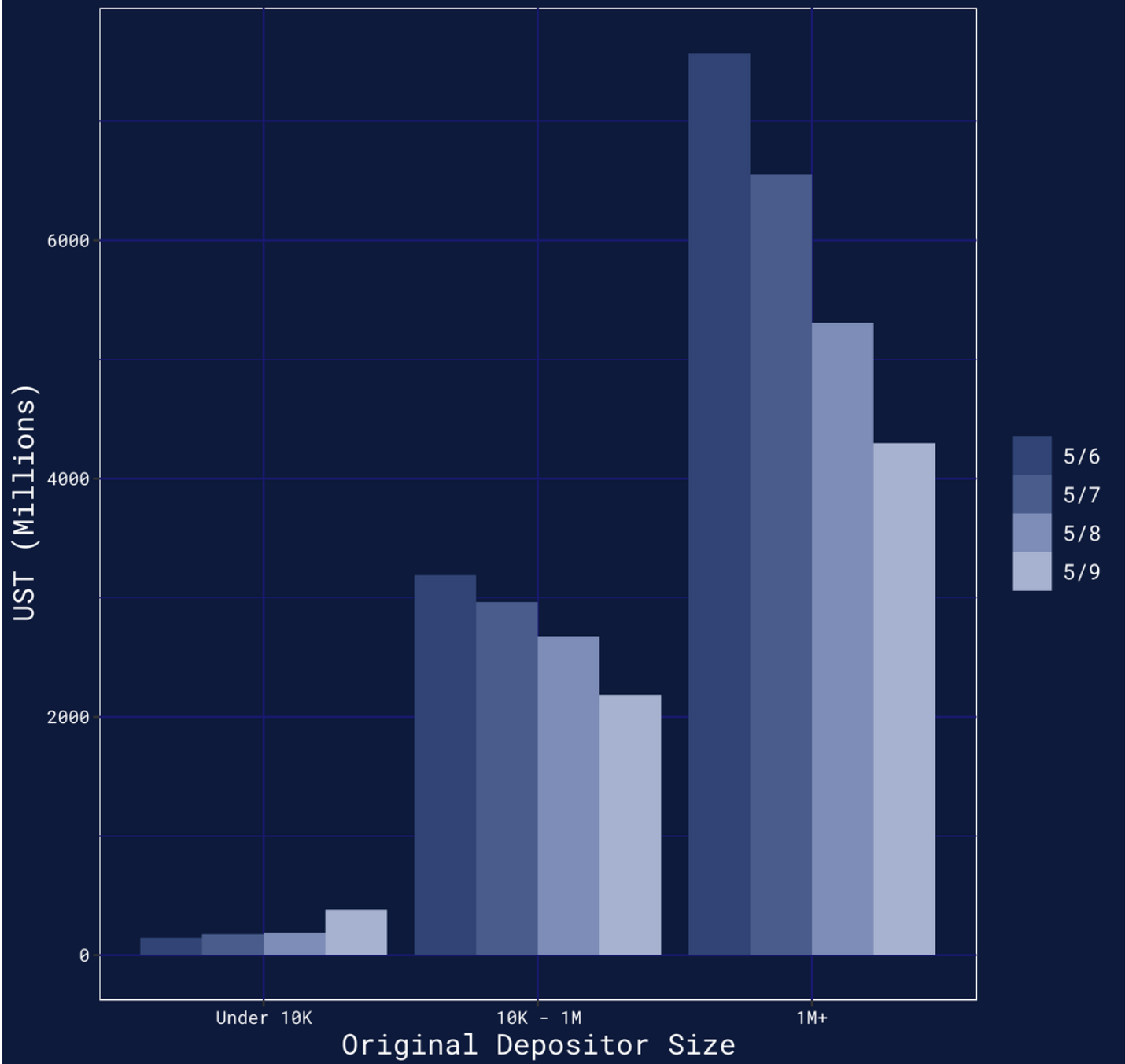
4/ Second, outflows from Anchor — particularly overnight on May 7 and on the morning and early afternoon of May 9 — put substantial pressure on the UST peg.

UST Outflows from Anchor vs Peg Deviations



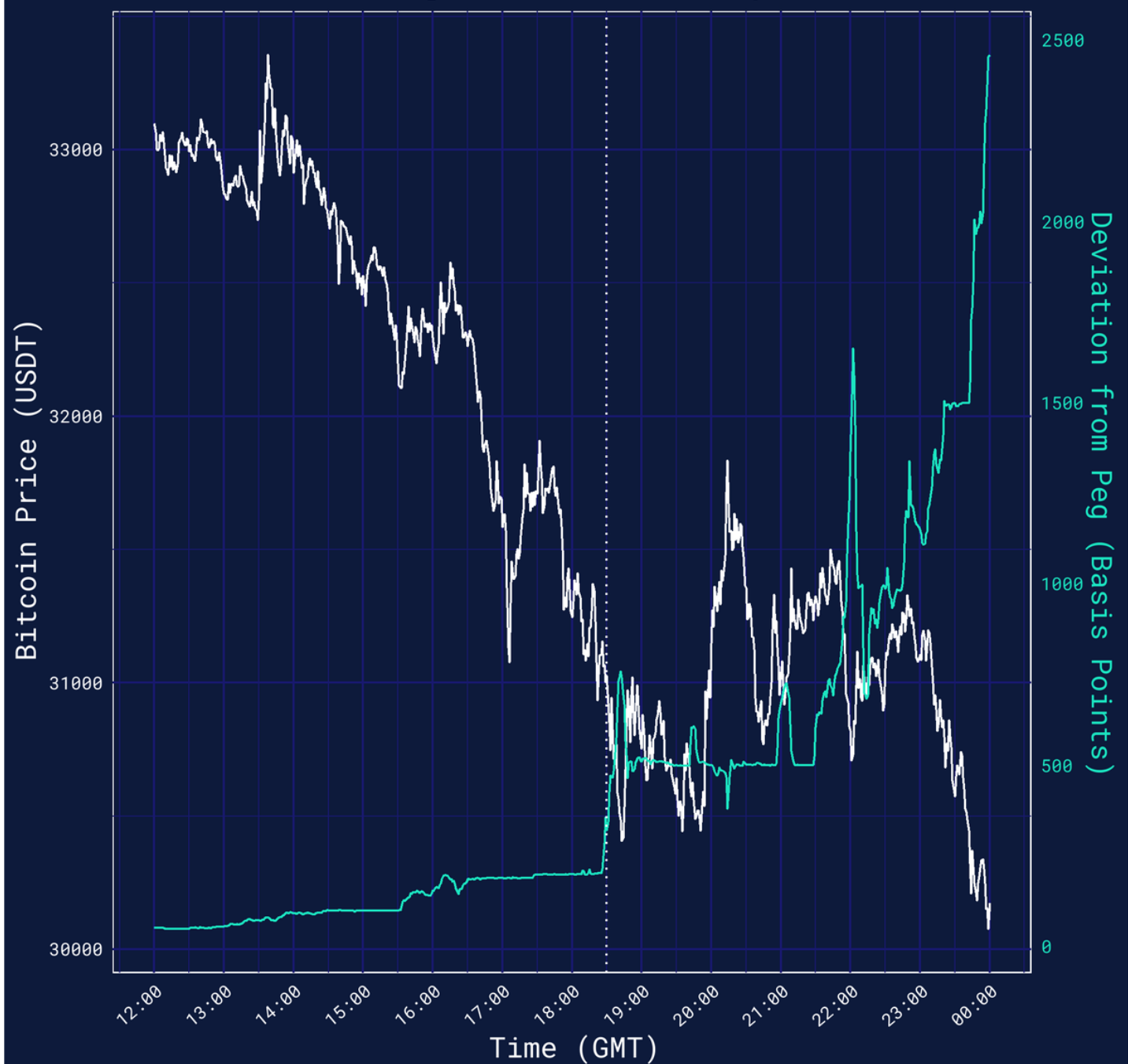
5/ Large depositors disproportionately drove the outflows. In fact, small depositors increased their exposure during this episode.

Positions of Anchor Depositors from 5/6 - 5/9



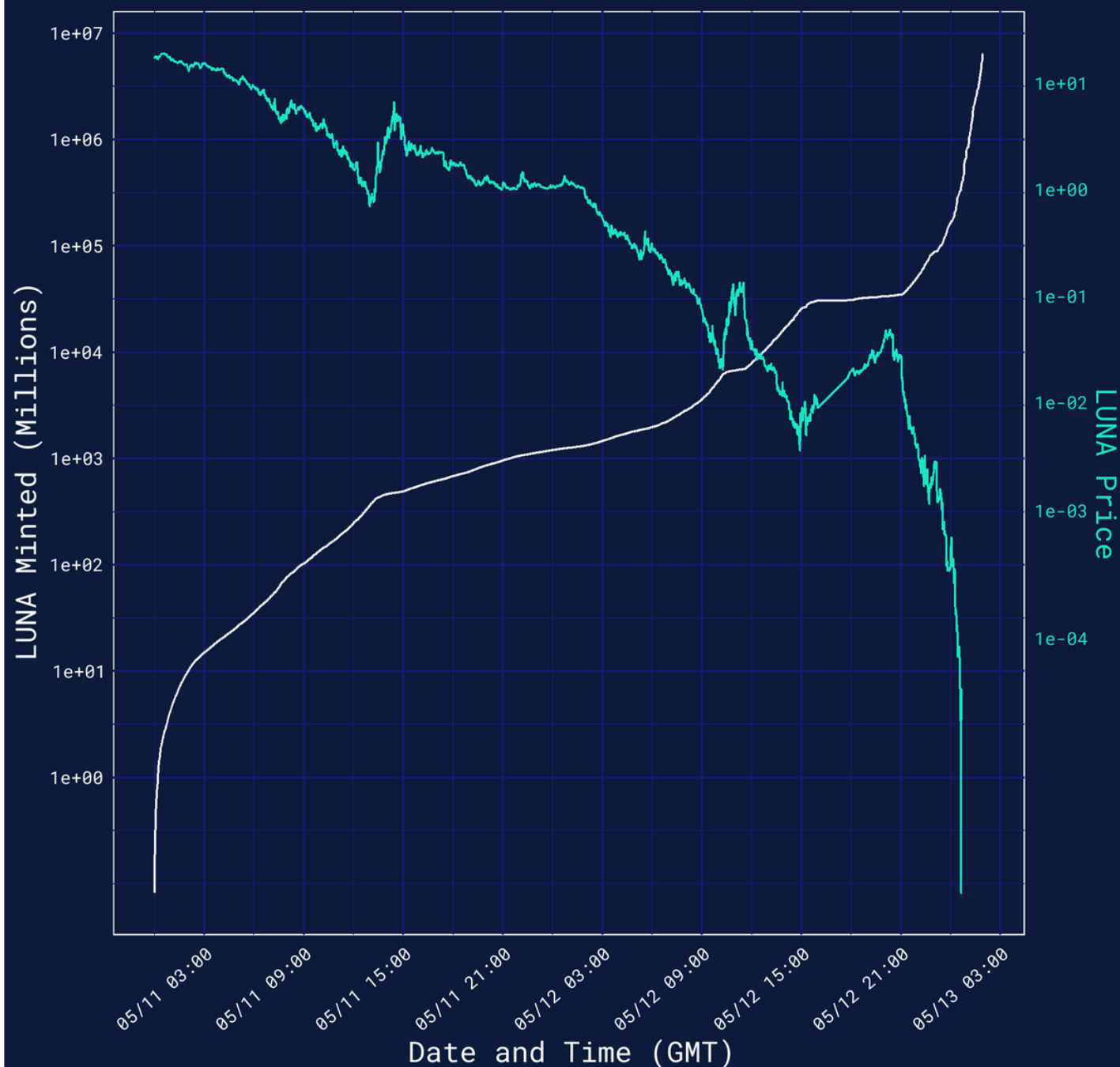
6/ Third, the crypto market selloff on May 9 added additional pressure to UST, which may have finally pushed it off the peg by several hundred basis points.

Bitcoin Price vs Peg Deviations (May 9, 12:00 – 23:59)



7/ As a coda to the depegging, as the on-chain burn mechanism started printing LUNA to burn UST, the supply of LUNA skyrocketed and the price of LUNA collapsed.

Minted LUNA versus LUNA Price, Log Scales



8/ You can read the full piece here: <https://t.co/KhYNyfJ7Ai>

Did we miss anything? Let us know [@theshah39](#) [@maherlatif](#)