

## Twitter Thread by DefiYield.info ■■■■■






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1/ We have already considered some protocols with their own systems for maintaining token values at the \$1 peg. Let's look at @fraxfinance and speak about the price stability of its token.

DIVERGENT FEATURES OF ALGORITHMIC STABLECOINS			
Token name	Type of stablecoin	Type of collateral	The demand-supply regulation
 <b>ESD, DSD, ZAI</b>	Synthetic-algorithmic stablecoins, using a self-stabilizing elastic supply mechanism	Non-collateralized	<ul style="list-style-type: none"> <li>• Use coupons to increase a token price;</li> <li>• Mint more rewards to reduce the token price.</li> </ul>
 <b>BAC, BSD, MIC, ONC</b>	Synthetic-algorithmic stablecoins, using a self-stabilizing elastic supply mechanism	Non-collateralized	<ul style="list-style-type: none"> <li>• Use Bonds to increase a token price;</li> <li>• Use Shares to expand the total supply and reduce the token price.</li> </ul>
 <b>FRAX</b>	Partially-collateralized algorithmic stablecoin	Token is backed by USDC & FXS. It started from 100% USDC collateral, gradually decreases and now stands at 88.25% with the remainder FXS token	<ul style="list-style-type: none"> <li>• Uses Frax Shares to control the collateral ratio.</li> </ul>