All you need to know about: What is a Stablecoin and how do Stablecoins work - SpectroCoin explain

SpectroCoin expert explains Stablecoins: Exploring the benefits of using a cryptocurrency whose value is pegged & backed by assets and maintains its value

London, United Kingdom Jun 22, 2023 (Issuewire.com) - At SpectroCoin, customers can get popular stablecoins such as Tether, TrueUSD, Paxos Standard, USD Coin, Binance USD, DAI, and Euro Coin.

Stablecoins are cryptocurrencies backed by reserves held in fiat money, commercial papers, or gold. It is a type of cryptocurrency designed to remain as stable as possible in value over time. This means that one unit of the currency will always be worth approximately the same amount, even if it fluctuates slightly due to market forces. The goal of a stablecoin is to provide stability to investors and users while still allowing them access to many of the advantages associated with blockchain-based digital currencies, such as censorship resistance and near-instant transactions.

Unlike Bitcoin, Ethereum, Cardano, and other cryptocurrencies experiencing high volatility over short-time periods, stablecoins are designed to store fixed value and help crypto users to save their funds.

USD-based stablecoins are the most common on the crypto market, usually equal 1:1 to US Dollar. However, other fiat currencies also inspire stablecoin developers. The reserve stands as collateral, and stablecoin's developers are committed to supplying as many stablecoins as reserves they have. That helps to control the stablecoin price and make it steady.

Stablecoins help crypto users to store value, minimize volatility and ensure their assets won't drop in value in a week or even a day.

How to Use Stablecoins

Stablecoins are similar to fiat currencies like USD or EUR, with the difference existing within the blockchain.

Thus, stablecoins can be used for instant and cheap transactions between individuals and businesses. While transferring USD, individuals need to apply for a bank account; while moving USD-based stablecoin, they only need to use a custodial or non-custodial crypto wallet.

A vast of platforms allow lending stablecoins with interest rates on average from 3% to 20%, which is wildly surpassing the rates of fiat currency saving accounts of an average of 0.06%.

Traders can use stablecoins to take advantage of arbitrage by transferring assets from platform to platform when prices differ on the same cryptocurrencies like Bitcoin, Ethereum, or any other.

Stablecoins at SpectroCoin

At SpectroCoin, we offer trustworthy and valued stablecoins, ensuring the safety and stability of your assets, and support top-6 USD-based stablecoins and EUR-based ones.

Tether USDT - #1

Tether is the top stablecoin issued by a Hong Kong-based company Tether with a market capitalization of over $83.1 billion, ranked #3 overall cryptocurrencies. The USDT reserves include commercial papers, fiduciary deposits, cash, reserve repo notes, and treasury bills. USDT is aimed to combine the unrestricted nature of cryptocurrencies with the stability of the US dollar.

USD Coin USDC - #2

USDC is ranked #5 overall cryptocurrencies, with a market capitalization of over $28 billion. The stablecoin's reserves are held in a mix of cash and short-term US Treasury bonds. Circle company, a USDC developer, aims to create an ecosystem supporting the stablecoin in as many exchanges, wallets, service providers, and dApps as possible.

Binance USD BUSD - #3

BUSD is a stablecoin issued by the Binance platform, the world's largest crypto exchange. The market capitalization for the stablecoin exceeds $5 billion, placing it as the #4 highest-ranking cryptocurrency. 96% of BUSD reserves are held in cash and cash equivalents, and 4% are invested in US Treasury bills. The BUSD ecosystem excessively grows since 2021 due to the mass adoption among crypto wallets and platforms.

DAI DAI - #4

DAI stablecoin was launched by MakerDAO, a decentralized autonomous organization. The token is ranked #17 overall cryptocurrencies with a market capitalization of over $4 billion. The value of DAI is equivalent to the US dollar, and it is backed by a mix of other cryptocurrencies that are stored in smart-contract vaults whenever a new DAI is created.

TrueUSD TUSD - #5

TUSD stablecoin has on-chain attestations from independent third-party institutions and is equivalent to the US dollar (USD). The Commonwealth of Dominica has given TUSD the official status of an authorized digital currency and a medium of exchange. TUSD is ranked #28 overall in cryptocurrencies with a market capitalization of over $2 billion.

Pax Dollar USDP - #6

USDP is a fiat-collateralized stablecoin equivalent to the US dollar. The reserves are held in Paxos-owned US bank accounts. USDP is ranked #42 overall cryptocurrencies with a market capitalization of over $1 billion.

Euro Coin EUROC - #20

Euro Coin is issued by Circle, a USDC developer, under the full-reserve model. The reserves are held separately from Circle funds and surpass the amount of EUROC in circulation. The stablecoin is ranked #371 overall cryptocurrencies with a market capitalization of over $51 million.

Bottom Line

Stablecoins offer the reliability and consistency of fiat currencies while providing the freedom of cryptocurrencies. This allows crypto users to store their value without relying on traditional banks.

About SpectroCoin

SpectroCoin company celebrates its 10th anniversary in 2023! More than 1,200,000 crypto users utilize SpectroCoin worldwide. To get to this point, they have released the SpectroCoin site in 8 languages, started supporting over 50 cryptocurrencies, and gathered over 200 crypto believers in the SpectroCoin Team.

Furthermore, in the crypto market, they provide the most advantageous conditions for their crypto cards, offering up to 99 virtual and five plastic cards, transaction limits of up to 25,000 EUR, and ATM withdrawal limits of up to 2,500 EUR, all without any monthly or issuance fees. By expanding the card limits, they have considered our customers' needs and have increased their ability to spend on cryptocurrencies.

They plan to implement Apple Pay and Google Pay options into SpectroCoin cards, providing their customers with convenient and secure payments. Additionally, they will be launching a cashback program to reward loyal SpectroCoin users.

With attention to safety, convenience, and transparency, SpectroCoin remains supportive, instant, and constantly evolving.

Be prepared and buy USDT, USDC, BUSD, DAI, TUSD, USDP, EUROC, and other cryptos at SpectroCoin.

SpectroCoin **Official Site:** https://spectrocoin.com/

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