

The Tesseract Academy Releases Report Examining the Future of Algorithmic Stablecoins

Report indicates that the shock caused by TerraUSD's sudden disintegration will help create more resilience in crypto markets

LONDON, UNITED KINGDOM, June 3, 2022 /EINPresswire.com/ -- In its first released report titled 'Tesseract Report: Do [algorithmic stablecoins](https://tesseract.academy/tesseract-report-algorithmic-stablecoins-future?utm_source=rss&utm_medium=rss&utm_campaign=tesseract-report-algorithmic-stablecoins-future) have a future?' (at https://tesseract.academy/tesseract-report-algorithmic-stablecoins-future?utm_source=rss&utm_medium=rss&utm_campaign=tesseract-report-algorithmic-stablecoins-future), The Tesseract Academy has examined the future of algorithmic stablecoins and their viability in a market that has recently undergone the shock of seeing [TerraUSD](#) suddenly disintegrate.



TesseractAcademy

The Tesseract Academy

"We started researching two topics: the world and features of algorithmic stablecoins and in specific, especially in light of what just happened," said Stylianos Kampakis, CEO of The Tesseract Academy. For the creation of this report, 30 subject matter experts in the field have been consulted. Five main questions were kept in consideration:

1. Will TerraUSD come back from this shock?
2. What can be expected next year in terms of crypto regulation?
3. Can algorithmic stablecoins ever work?
4. What is the most likely scenario that the crypto space will face in the coming months?
5. What other important observations does the current situation with Terra/Luna trigger?

The specific challenge of algorithmic stablecoins is that, unlike collateralized stablecoins such as USDT, they are only backed by the community that holds and uses them. Also, they rely on an algorithm that strives to create a price equilibrium by creating and eliminating UST and LUNA as required to keep that value. "However, this incident has revealed that market forces may be too

strong, causing a shock that is too disruptive for the algorithm to keep the [stablecoin](#)'s value," Mr. Kampakis said.

The Tesseract Report on the subject revealed that 73.3% of interviewed experts believe that TerraUSD will not be revived versus 26.7% who are optimistic. A similar majority also believes that heavier regulation is coming for the crypto world. "This incident may actually work as an excuse by regulators to impose rules that may affect DeFi and crypto transactions in general, well beyond algorithmic stablecoins," Kampakis concludes.

Interestingly, this community of experts expressed doubts about the viability of algorithmic stablecoins, believing that it is possible for these to work, but not with a high degree of certainty. 85% of these experts also expect a bear market affecting crypto assets until the rest of the year. Most agree that this shock fundamentally works as an event that will strengthen the crypto-system and community. "Each shock only increases resilience and better solutions, so no one is looking at this as a terminal disaster. Instead, all these experts believe that the future of stablecoins and crypto assets in general will only get stronger, the CEO of The Tesseract Academy noted.

The Report can be found at https://tesseract.academy/tesseract-report-algorithmic-stablecoins-future?utm_source=rss&utm_medium=rss&utm_campaign=tesseract-report-algorithmic-stablecoins-future. The Tesseract Academy is committed to helping decision makers and the public better understand deep tech such as AI, data science, and blockchain.

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