

# The Value Potential of MetaTdex's Native Token TT from Tokenomics

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/EINPresswire.com/ -- The price of Tdex Token (TT), MetaTdex's native token, reached \$1.62 on March 27, 2023, entering the top 100 in the global market cap ranking of cryptocurrencies. MetaTdex's recent Polygon Trade Mining campaign and launch of the Crypto-Stock product are deemed as the dual engines for TT's current price rising. It is essential for both crypto market investors and TT market participants to understand the in-depth logic of TT's market cap, making scientific judgments about TT's development trends in the future. Tokenomics is able to help us analyze the prospects of TT from a mathematical perspective.

This article is set to discuss the tokenomics design of TT from supply and ecological demand, including supply quantity, economic model and TT distribution on the supply side, and TT positioning, incentive measures, community consensus and practicality on the ecological side.

## □. Robust Tokenomic Model, Value Empowerment for TT Holding

### 1. Basic Indicators of Tokenomics

The basic indicators of token offering mainly focus on the token supply and how it will change over time.

•Circulating Supply: the quantity of a token circulating on the market;



Basic Indicators of Mainstream Tokens						
Token	Max. Supply	Circulating Supply	Production Reduction Mechanism	Price (\$)	Market Cap (\$)	Fully-Diluted Market Cap (\$)
BTC	21 million	19.32 million	Halved every 4 years	27,546	532.7 billion	578.5 billion
ETH	Unlimited	122 million	No reduction mechanism	1,757	215.8 billion	Unlimited
TT	1 billion	256 million	20% reduction per year	1.62	415 million	1.62 billion
DOGE	Unlimited	132.6 billion	No reduction mechanism	0.073	9.7 billion	Unlimited
DYDX	1 billion	156 million	No reduction mechanism	2.51	392 million	2.51 billion

- Max. Supply: the total supply of a token;
- Market Cap: current price \* circulating supply
- Fully-Diluted Market Cap: current price \* Max. Supply

The basic indicators of token offering help us to understand the future supply and scarcity of TT. From the table above, we can have a basic judgment of TT:

- TT, like Bitcoin, has a maximum supply of 1 billion without additional issuance. But for ETH and DOGE, there is no upper limit on token issuance.
- TT offering is reduced at a predictable rate, which is faster than Bitcoin. With a 20% production reduction speed per year, the cumulative production reduction scale of TT in 4 years is 59%  $[(1-1*0.8*0.8*0.8) / 1*100\%]$ , greater than the 50% reduction rate of BTC.
- Circulation rate refers to the ratio of circulating supply to total supply. The circulation rate of TT is higher than that of DYDX, while the total future influx of TT into the market will be fewer than that of DYDX. Both TT and DYDX have a total supply of 1 billion. The circulation rates of TT and DYDX are 25.6% and 15.6% respectively. With cumulative burning of 87 million TTs, the total output of TT has reached 343 million (34.3%). Therefore, DYDX is 18.7% higher than TT in terms of the quantity that newly enters the market in the future.
- The future growth space of a token's quantity is judged by the ratio of its market cap and diluted market cap. In this regard, compared with DYDX, TT will be less affected by its fully diluted market cap in the future. Meanwhile, under the burning mechanism, TT is destroyed while being generated so that its fully diluted market cap in the future will be much lower than \$1.62 billion. On the contrary, ETH and DOGE, which have no offering limit, have to bear the pressure from indeterminate diluted market cap.

Tokenomic Models of Mainstream Tokens						
Deflation Model		Inflation Model		Dual-Token Model		Asset-Backed Model
TT, BTC, BNB, OKB		ETH, SOL, DOT		AXS & SLP GMT & GST Luna & UST		US dollars: USDT, USDC Gold: PAXG Stock: BGT (MetaDex)

  

Holding Addresses of Mainstream Platform Tokens						
Token	UNI	DYDX	TT	AAVE	SUSHI	CRV
Holding Addresses	447,958	38,739	300,920	157,033	113,632	76,836
Platform	UniSwap	dYdX	MetaDex	AAVE	SushiSwap	Curve

In an effort to maintain scarcity, TT is equipped with a fixed upper limit of supply, as well as an adequate burning mechanism including pool burning, buyback burning and trade mining's blackhole burning. Moreover, a certain percentage of transaction fees charged by MetaDex are set to be utilized for TT repurchase and burning, which is expected to be carried out in early April of 2023. This series of measures is capable of making quite a few TTs out of circulation. After the second production cut of TT in November 2022, the native token of MetaDex is releasing its potential, achieving a steady rise in price. On March 21, 2023, the market cap of TT reached \$415 million, entering the 92nd place in the global ranking of token market cap.

## 2. Tokenomic Models of Mainstream Tokens

The tokenomic model refers to the pattern of a token demonstrated through supply, issuance

plan, incentive scheme and some other factors, which will have a long-term impact on the supply and demand relationship of the market.

Currently, the tokenomic models of mainstream tokens mainly include: inflation model, deflation model, dual-token model, and asset-backed model.

□ Inflation Model: There is no limit on the total supply of a token (e.g., ETH, SOL, DOT and DOGE).

□ Deflation Model: There is a limit on the total supply of a token. When demand increases and supply does not increase, the market will be in a deflationary state (e.g., BTC, TT and LTC). TT will also achieve the goal of deflation by the repurchase token burning mechanism.

□ Dual-Token Model: A blockchain based on two kinds of tokens, such as the AXS and SLP of Axie Infinity, GMT and GST of StepN, and Luna and UST of Terra.

□ Asset-Backed Model: Tokens issued with 1:1 anchoring of real assets, such as the US dollar pegged USDT, USDC and BUSD, gold pegged PAXG, and stock pegged BGT. BGT, issued by MetaTdex, is set to anchor the stocks of listed companies.

TT is a token of deflation model. Although TT does not have a circulation rate exceeding 90% as BTC, the strategy of concurrent production reduction and burning keeps the market's TT circulation and demand amid a relatively reasonable range. In contrast, the inflation mechanism will bring depreciation pressure on certain tokens. For instance, there is no upper supply limit for DOGE and EOS, leading to an annual inflation rate of 5% and 3% respectively, which are much stronger than the pressure of BTC and TT.

### 3. TT Tokenomic Model

There are two major distribution methods for token supply: pre-mining and fair distribution. Pre-mining may cause certain institutions to obtain large amounts of tokens at 0 cost. If these institutions sell plenty of tokens, there will be a downward pressure on the token price, which often gives rise to extreme fluctuations that reduce the interests of investors. The pre-mining of the BTC fork wave in 2017 was a painful memory for crypto users. Many forked tokens have been pre-mined and eventually face a collapse or extinction result.

Adopting the environmentally friendly PoS consensus mechanism, there is no team reservation, ICO or private placement for TT. The 1 billion TTs are all generated by mining. MetaTdex has designed a "triple turbo issuance mechanism" to distribute TT rewards across different ecological contribution dimensions, achieving fair distribution through a combination of multiple mining pool modes such as sharing, trading and nodes. TT is output in three mining pools: node pool (31%) for community contribution rewards, sharing pool (58%) for all miners' mining rewards, and trading pool (11%) for MetaTdex trade mining rewards.

While fully understanding the mechanisms of supply, deflation and distribution, we have also discovered a strange phenomenon: ETH, which does not have a supply ceiling and deflation mechanism, has become a project worth up to a \$100 billion market cap. Currently, only BTC and ETH have surpassed the \$100 billion market cap, attaining \$532.7 billion and \$215.8 billion respectively. Obviously, the logical analysis of token supply alone is insufficient for us to

understand whether TT is worth buying or holding. Analyzing from an ecological perspective will make the evaluation of the entire tokenomics more objective.

## □. Diversified Web3.0 Ecosystem □ High Value Potential of TT

The token ecosystem involves several aspects such as token functions, incentive measures, community consensus, and cross-border capabilities. The assessment of a token ecosystem depends not only on whether the incentive mechanism within the ecosystem is complete, but also on whether there are broad opportunities for value capture outside the ecosystem.

### 1. MetaTdex Equity Token, Share TT Ecosystem Benefits

At the functional level, there is a strong demand for TT. TT, the native token and equity token of MetaTdex, has clear functional attributes. Since exchanges are the core gathering place for Web 3.0 users, TT already has a large-scale user base.

- As the crypto industry is an incremental market, there is a large base of new TT users. According to relevant statistics, the number of crypto and blockchain platform users is expected to increase from 200 million to 1 billion within five years. The new influx of users into the MetaTdex decentralized exchange has large-scale expectations.
- From a historical perspective, the investment value of platform token has been verified. The prices of platform tokens such as BNB and OKB have all demonstrated strong upward momentum, making them among the top 10 in the global ranking of crypto market cap. Besides, lots of platform token users have received high investment returns.
- Due to the bankruptcy of leading centralized crypto service providers such as FTX and 3AC, users tend to migrate from CEXs to DEXs to ensure the security of their investments. This gives TT an opportunity to expand its influence, as new users will have more purchasing momentum on platform token purchase to obtain democratic voting rights, dividend opportunities, and airdrop qualifications.
- MetaTdex is one of the top 10 DEXs in the world, and its platform token TT shall show infinite potential in the future. MetaTdex now has a daily trading volume of over \$45 million, with 300,000 users covering more than 50 countries and regions. Besides, the DEX is in fast expansion. Platform users from Vietnam, Bangladesh, India, Indonesia, Nigeria, Pakistan are all in rapid growth. In February 2023, the monthly increase proportion and monthly active proportion of MetaTdex overseas (outside Chinese mainland) users accounted for 95% and 80% respectively, demonstrating a strong ability to aggregate international users.

### 2. Integrated Ecosystem Construction, Continuous Empowerment of TT Value

At the incentive level, TT has an ecological empowerment foundation, allowing TT holding to become increasingly significant. From the perspective of tokenomics, the token holding value of users is mainly revealed at the incentive level. Obtaining big rewards in specific market actions can make us extremely motivated, while macroscopic analysis helps us to see the possibility of current and future value capture of TT.

- TT has been issued on three blockchains: Polygon, HECO, and BSC. This not only enables users to gain more benefits, but also allows DeFi, GameFi and SocialFi application developers to adopt in an easy way. Furthermore, Token holders are able to obtain benefits from various DApps as

well. By comparison, crypto assets such as BTC, ETH, and BNB are all issued on only one blockchain. To enter a heterogeneous chain for circulation, it is compulsory to build a token bridge. That is to say, it is more sophisticated and arduous for users to obtain interests from other blockchains.

- On account of the highly innovative financial model, TT has a strong ability of value adding for investments. TT has a wide range of applications in MetaTdex's diversified products such as TDEX, Trade Mining, Turbo Staking, Earn, Dvote and TeFi Lending. A variety of value incentives, including more platform privileges, increased token quantity and low market risk confrontation, are distributed in multiple smart contracts. While reducing the number of TTs in the trading market, it will also constantly enhance the motivation of users to hold more TTs.

- MetaTdex is now committed to the strategic layout of Layer 2, permitting future TT users to share more project ecological resources. Layer 2 has considerable advantages in improving trading speed and throughput, as well as reducing trading Gas fees. The rise in the market value of cryptocurrencies has turned out to be a wide expectation. With the high-performance Layer 2, the interaction between TT and public blockchains will surge in the coming years.

### 3. Dual-DAO Community Alliance, Spiral of Holding Addresses

Community consensus, affecting the confidence of token holders in the project, is mainly determined by community development and token holding addresses. Dogecoin is a typical representative of community consensus which reflects the importance of community consensus in blockchain projects. Dogecoin has neither a supply ceiling nor actual use value, but it is well known to the public.

- Based on the dual-DAO community operation mode, TT has a strong community consensus. MetaTdex is one of the few decentralized exchanges in the world that adopts the dual-DAO operation mode. TT-DAO and DEX DAO are guarantees for the continuous expansion of the TT user base. With an average of over 100 promotion conferences per month, TT-DAO nodes have spread all over the global crypto community, covering Thailand, Malaysia, Turkey, UAE, Nigeria and more. DEX DAO is dedicated to introducing global stock market users into the MetaTdex ecosystem.

- TT has more than 300,000 token holding addresses, ranking the first echelon among DEX platform tokens. The data is higher than a series of DEX platform tokens such as AAVE, SushiSwap and Curve, just behind dYdX and UniSwap. This not only indicates that crypto users have a strong desire to hold TT, but also confirms the great community consensus of TT.

### 4. Meta-Asset Bridge, Connection Between Cryptocurrencies and Traditional Finance

Bitcoin has been added to the balance sheet of more companies. The use of ETH for project fundraising, for example, represents the recognition of specific crypto assets by the entire society. This cross-border recognition will generate a strong demand for token purchase. Once succeeded, it will be emulated by many enterprises and projects.

In terms of platform tokens, TT is at the forefront of cross-border interaction. MetaTdex is currently carrying out the ecosystem construction of its Meta-Asset Bridge, aiming to enhance the possibility of TT to be associated with traditional financial assets such as stocks and bonds. The Crypto-Stock product of MetaTdex is incorporating global stock market users into the

platform and TT ecosystem via NFT, DAO and some other channels. After the successful listing of MetaTdex in Hong Kong, it will be able to meet the asset allocation needs of users across regions, asset types and industries. In the ecological expansion of Meta-Asset Bridge, there are many opportunities for TT to interact with stocks, listed companies, and superior Web 3.0 projects.

In reality, the price trend of tokens is influenced by many factors, and here we have only discussed the fundamentals of tokenomics. Both BTC and ETH have a large number of followers to share value and enhance potential. When it comes to TT, a cutting-edge project with good tokenomics design, may be an alternative choice for crypto enthusiasts. After all, when projects with poorly designed tokenomics show signs of risk, people always decide to quickly sell off their crypto assets.

In the long run, in the tokenomics design of TT, the output speed will slow down year by year, accompanied by a burning mechanism. Owing to the diversification trend of TT users and the penetration of MetaTdex ecological products into the traditional financial stock market, TT shall maintain a strong market state of demand in the macro perspective. Recently, the rapid development of MetaTdex's asset securitization, Crypto-Stock product and Trading Mining campaign has further strengthened the circulation momentum of TT, which has led to robust and widespread market rising expectations in the near future.

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