Twitter Thread by PrrplFrog



PrrplFrog
@PrrplFrog



1/14 Now that everyone and their mother is talking about $LUNA & $MIR my message is

We don't need the money

This is why

■

2/14 Vast majority of crypto assets have insignificant or no adoption at all. The few with the highest adoption are at best very good speculation bets.

3/14 #Ethereum is the King of platforms and today there is no competition even close the liquidity and usage. All this activity is not reflected in $ETH itself and that is why EIP 1559, a proposal to change the economic model is a constant debate.

4/14 Looking at the $ETH example at this point we can conclude the ideal asset needs two important factors

1. Adoption
2. Good value capture

High adoption without a good value capture is not ideal and vice versa

5/14 @terra_money is one of the world's most highly adopted chains with millions of dollars in "real world transactions".

What does this mean and how is this aligned with $LUNA token holders?

6/14 Without getting in to technicals.

Every transaction on Terra collects a small fee that is paid out to $LUNA stake holders.

7/14 Being a stablecoins protocol with all the relevant currencies all minting will eventually put a hard burn pressure on $LUNA.

8/14 Terra platform is growing like nothing else in the crypto space

High usage = high rewards = high price

9/14 50k-100k users paying through the payment dapp #CHAI without knowing they are using blockchain have set a reward base for early investors (still very early)

10/14 Now with @mirror_protocol $MIR becoming the standard for tokenized stocks and other dapps in the making the reward base is getting higher

11/14 The value capture of $LUNA is perfectly aligned with stake holders

If you buy and stake, you take out $LUNA but also dilute our guaranteed rewards

12/14The burn happens anyways, with higher usage of dapps there is a:

higher demand for stablecoins--> higher rewards-->higher amount of $LUNA being burned--->higher $LUNA price

13/14 In bull or bear $LUNA holders are winning

The rewards are non-inflationary paid out in stablecoins

14/14 I hope i could slightly demonstrate how

$LUNA does not need your money

Stake holders are de facto owners of the Terra Protocol

Sharing $LUNA is like chopping parts of your successful business and giving it out to strangers