



Investment Thesis

Stellar

XLM

Token type	Cryptocurrency
Price	\$0.11
Sector	Payment Platform
Market Cap	\$3.16B

Key Figures

52-Week Range	\$0.07 - \$0.20
Market Rank	#24
Market Capitalization	\$3.16 billion
Volume (24h)	\$37,022,743
Volume / Market Cap	0.0118
Circulating Supply	27,682,092,091
Max. Supply	50,001,787,697
ATH	\$0.94
ATH Date	January 3, 2018
Down from ATH	-88.3%

Overview

Stellar is an **open-source payment and currency network**. It is specifically designed to make traditional forms of money more useful and globally accessible. The blockchain's native currency – **the lumen (XLM)** – is required in small amounts to initialize accounts and pay fees for every transaction. **Stellar's main value proposition is to allow regulated financial entities to issue fully-backed stablecoins** – digital tokens that maintain price parity with a target asset, such as the US dollar. Although stablecoins issued on the network are permissionless by default, they are highly configurable so that issuers can **meet compliance requirements**. In addition, Stellar's ledger system has a **built-in decentralized exchange (DEX)** that allows users to exchange currencies in a non-custodial manner. It also enables a user to send one currency and have the recipient receive another in a single atomic transaction, which is particularly advantageous for **remittances**. The **Stellar Development Foundation (SDF)**, a non-profit company based in the US, supports the ongoing development of the Stellar network and is also a speaking partner to regulators and institutions.

- In 2013, **Jed McCaleb**, co-founder of Ripple, left the company due to internal conflicts over its vision.
- In 2014, **McCaleb** and **Joyce Kim** forked the Ripple protocol (XRP Ledger) and launched the Stellar network.
- In 2015, Stellar implemented a new consensus protocol developed by **David Mazières**, co-founder and chief scientist of the SDF.
- In 2019, the **SDF** burned a significant portion of their **XLM holdings**, reducing the overall supply from 105 billion tokens to around **50 billion**.
- In October 2021, **cross-border payments giant MoneyGram** partnered with the SDF. As of September 2023, **USDC on Stellar** has over 81,000 on-ramp locations and over 320,000 off-ramp locations worldwide.
- In December 2022, In December, the SDF launched **Stellar Aid Assist**, a new aid disbursement system leveraging the Stellar blockchain in collaboration with **Circle** and **MoneyGram**, to deliver cash assistance to internally displaced persons in Ukraine.

Key takeaways

- Stellar is a payment network that enables financial institutions to issue fully-collateralized stablecoins.
- Stellar aims to **complement rather than undermine or replace the existing financial system**, envisioning a future where everyday people can send money anywhere affordably and quickly.

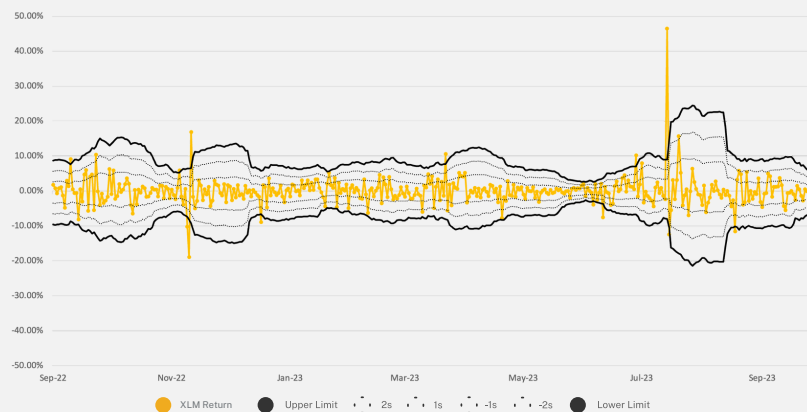
Risk factors

- **Adoption risk.** The stablecoin market capitalization across all blockchains sits around \$125 billion, of which less than 1% is issued on Stellar.
- **Centralization risk.** Each issuer in the Stellar network is required to designate one or more trusted nodes for handling redemption requests, which can lead to the SDF being responsible for most of the network's processing.

Figure 1:
Price Performance (3-years)



Figure 2:
XLM 1-Year Implied Daily Volatility



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