

Reeve Collins: The crash of the UST may eventually affect the algorithmic stablecoins.

Tether (USDT) co-founder believes the collapse of USTC stablecoin might be the catalyst for the demise of other algorithmic stablecoins. He added that the collapse was not a surprise to him. Reeve Collins stated: It's an algorithmic-backed, stablecoin. Therefore, it's just a bunch of smart people trying to figure out how to peg something to the dollar. Collins attributed the collapse of the UST to the cash out of assets by individuals after the instability of the stable coin. Although the digital currency market remains bearish, Collins believes that algorithmic stablecoins can still experience the worst. According to the founder of Tether, other algorithmic stablecoins may follow the path of UST, and eventually these tokens will disappear completely. While Collins believes that the era of algorithmic stablecoins is approaching its end, Jeremy Allaire, the CEO of USD Coin, has a different view. Jeremy Allaire stated: I've compared algorithmic stable coins to the Fountain of Youth or the Holy Grail. Others have referred to it as financial alchemy. Allaire believes that regulators may ban interaction with markets and the financial system due to the risks. Source: cryptoslate.com

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