

Stablecoin rally sparked by Circle's pledge to "cover any shortfall" in USDC reserves The business intends to close the deficit using internal resources, including outside funding. In the event that it does not get the complete amount of the \$3.3 billion cash reserve it was keeping at Silicon Valley Bank, Circle Internet Finance announced on Saturday that it will "fill any deficit" in the assets supporting its stablecoin USDC. Circle stated in a blog post that it "will support USDC and offset any gap utilizing business resources, incorporating external financing if necessary." The commitment was made at a time when cryptocurrency traders were concerned about the value of USDC, a stablecoin that was supposed to be tethered to the dollar but lost value after Silicon Valley Bank collapsed. Circle was keeping \$3.3 billion of USDC's cash backing at Silicon Valley Bank when the FDIC confiscated the bank's assets on Friday. Circle said that it made an effort to remove its assets before to SVB's failure and that the deal may close on Monday, when U.S. institutions resume regular business. With the FDIC issuing IOUs (also known as receivership certificates) and advanced dividends to deposit holders, Circle said, "it is also likely that SVB may not repay 100% and that any recovery may take some time. According to Coingecko, the stablecoin's value dropped as low as \$0.88 in the previous 24 hours before rising to \$0.97 following the news.

Source: www.Pipsafe.com

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