

Forum:[Hack Forums](#)

Thread: [Ethereum is officially going to be deflationary](#)

shreder - March 5, 2021, 9:13 am

It was agreed that EIP-1559 would be included with London hard fork in July.

If you want to learn more about it here is [Why EIP-1559](#)

Among tons of other benefits, EIP-1559 will burn a base fee which will likely result in negative issuance. In short deflationary, in short scarcity. All the while relieving congestion and better fee estimation.

Omniscient - March 5, 2021, 10:20 am

I hope Broken Focus reads this and chokes on his inability to reply. I banned his account again.

But the overall news that ETH will deal with inflation was a long-time coming. I personally was never very worried about ETH issuance. When they are ready they'll deal with it. It wasn't really a problem as some said it was.

Orchid - March 5, 2021, 10:23 am

(Mar 5, 2021 11:20 AM)Omniscient Wrote: [\[CITE\]](#) I hope Broken Focus reads this and chokes on his inability to reply. I banned his account again.

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"I banned his account, again."

Made me lol.

On topic, I am so excited the day has finally come.

Zoomers - March 5, 2021, 10:23 am

Did you see this?

<https://weibo.com/ttarticle/p/show?id=2309404611282643845233> - Google translate :)

shreder - March 5, 2021, 10:33 am

(Mar 5, 2021 11:23 AM)Zoomers Wrote: [\[CITE\]](#) Did you see this?

<https://weibo.com/ttarticle/p/show?id=2309404611282643845233> - Google translate :)

Many normies will be staking ETH with coinbase, the number of validators locked is about to sky rocket. As I see it, coinbase is simply a gateway drug to the real thing running a validator yourself.

The Eth2 devs sum it up really.

Ace Boogie - March 5, 2021, 1:12 pm

(Mar 5, 2021 01:59 PM)Fictional Wrote: [\[CITE\]](#) LOOOL what's the drama around Broken Focus? No doubt he knows a lot about Bitcoin and the tech, as maxi's do which I respect, but I think the main issue he doesn't seem to understand other crypto use cases besides BTC.

He always, ALWAYS has a reason to shit on anything that's not Bitcoin, using carefully picked wording so he can retrace by outright denying what he's intended or simply ignores comments that sometimes challenges it completely, sometimes with arguments that doesn't really mean anything other than shitpost.

I think he has the usual Bitcoin maxi problem. A few things here:

- 1) Probably has a scar from the past where he got burned by a few shitcoins and can no longer accept the fact that other coins have value.
- 2) You ever seen Janet Yellen talk about Bitcoin? That's how he and fellow Bitcoin maxi's talk about other coins.

Just an observation, got nothing against the guy other than that he seems a extremely bit obsessed with Bitcoin.

Saw this on /r/ethfinance earlier today:

Quote:To put it in perspective, if EIP-1559 was live yesterday, it would have burned approximately \$26M worth of ETH or roughly 17,000 ETH. Annually that equates to over 6.2 million ETH burned a year at the current rate. That is significantly more than the new ETH being created and would therefore make ETH deflationary

T0Bi - March 5, 2021, 2:12 pm

Finally.

Probably one of the most important EIPs this year. Especially for the price :D

It's not really gonna fix the fee situation, at least not completely.

It does help with sudden fee spikes but it can't do anything against constantly high fees because too many people are using Ethereum. The good thing is that a lot of the fees will be burn and therefore decrease the supply.

Here's also a good video on EIP-1559 by Bankless (the guys are kinda biased though):
https://www.youtube.com/watch?v=b_PjKRFSgHk

What will really bring down fees in the near future is the launch of optimism mainnet (in March), a Layer 2 solution where several of the large DeFi dapps are probably switching to.

Here's a perfect comment (stolen from reddit) which explains the significance of Optimism:

Quote:Enter optimistic rollups. They support the EVM which means they can scale smart contracts. Any existing dapp on Ethereum can literally copy/paste their code to Optimism with little changes and get going. Optimism can do anywhere from 500 - 2000 TPS, with super low fees.

It's also secure and decentralized (if you want to get into the nitty gritty, read these two articles:

<https://research.paradigm.xyz/rollups>, <https://vitalik.ca/general/2021/01/05/rollup.html>)

Now, why is this so huge? Because every single dapp on Ethereum can port over to Optimism starting in march. Users can deposit their funds with a single transaction and then enjoy the complete ecosystem of Ethereum with extremely low gas fees and high TPS, while being entirely noncustodial and decentralized.

Uniswap has already announced they will migrate there, and if Uniswap moves there, a significant part of Ethereum's ecosystem will move there.

Coinbase has also indicated support for Optimism, which means: You can withdraw your funds from Coinbase straight to Optimism without ever having to touch Layer 1 again.

This effectively eliminates the high gas fee issue for Ethereum without sacrificing decentralization. It's what everyone has been waiting for, and it's here in march!

Angela White - March 5, 2021, 2:14 pm

(Mar 5, 2021 11:20 AM)Omniscient Wrote: [\[CITE\]](#) I hope Broken Focus reads this and chokes on his inability to reply. I banned his account again.

But the overall news that ETH will deal with inflation was a long-time coming. I personally was never very worried about ETH issuance. When they are ready they'll deal with it. It wasn't really a problem as some said it was.

Thank you, that kid was annoying as fuck. I made ONE comment about receiving ETH / BTC months ago and he negged me and flamed me because I posted in the crypto section without being a "crypto wizard" and started calling me poor because "i didn't have as much bitcoin as him".

Yin Yang - March 5, 2021, 2:34 pm

I still think ETH dominance can get to 1/4 EoY in crypto market.

Omniscient - March 5, 2021, 2:44 pm

(Mar 5, 2021 03:34 PM)Yin Yang Wrote: [\[CITE\]](#) I still think ETH dominance can get to 1/4 EoY in crypto market.

I just have a hard time seeing that path in 2021 given the high fees involved with the network. I think we're not going to see a serious bull run into \$5k+ for ETH until it's clear that 2.0 is out and fees are under control PERMANENTLY.

ETH was on its way to \$5k imho when the fees became a wall.

Rsky - March 5, 2021, 3:45 pm

(Mar 5, 2021 03:44 PM)Omniscient Wrote: [\[CITE\]](#) I just have a hard time seeing that path in 2021 given the high fees involved with the network. I think we're not going to see a serious bull run into \$5k+ for ETH until it's clear that 2.0 is out and fees are under control PERMANENTLY.

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How does this news impact the decision you made to exchange 50% of your ETH holdings into LTC? Do you still stand by it?

shreder - June 21, 2021, 7:17 pm

<http://watchtheburn.com/>

Cool site that shows the amount of ETH burned from EIP-1559 on the devnet.

Can't wait for London upgrade

<https://github.com/ethereum/eth1.0-specs/blob/master/network-upgrades/mainnet-upgrades/london.md> Ethereum is going to reach maximum supply a century before Bitcoin.

SIM-810273 - June 22, 2021, 1:57 am

Will how much is burned in fees, outweigh how much is being "printed" per say?

SIM-1866423 - June 22, 2021, 3:13 am

(Jun 21, 2021 07:17 PM)shreder Wrote: [\[CITE\]](#) Ethereum is going to reach maximum supply a century before Bitcoin.

Ethereum is unlimited coin, lmao do your work kid. With DPoS it will be even easier to print ETH ?

shreder - June 22, 2021, 9:36 am

(Jun 22, 2021 01:57 AM)IronMan™ Wrote: [\[CITE\]](#) Will how much is burned in fees, outweigh how much is being "printed" per say?

There will definitely be a substantial deflationary pressure applied even before PoS. At times it can outweigh the ETH mined bringing down inflation greatly. If you take a look at PoS right now only about 1000 ETH rewarded versus 13,000 with PoW. As inflation drops to near 0% plus EIP-1559, what we'll see is it likely outweighing how much is rewarded. Or at the very least reaching its limits 100 years before Bitcoin.

<http://timroughgarden.org/papers/eip1559.pdf>