

Forum:[Hack Forums](#)

Thread: [\[EDIT: CASHED OUT\] Invested \\$100k in UST Anchor Protocol \(For 19.42% APY\)](#)

___GS___ - April 25, 2022, 7:32 am

Okay so I have Invested \$100k in UST Anchor Protocol (For 19.42% APY).
Good or bad investment? I need suggestions.
(Considering an stablecoin, I think its good but need expert opinions)

EDIT: I have cashed it out for 291 BNB.

So my routes in last 15 days was:
260 BNB -> \$103000 UST
\$103500 UST -> 291 BNB

Still 31 BNB profit for me. Which is not bad.

SUI-3183372 - April 25, 2022, 7:41 am

In theory, if all goes to plan, it's very solid. Nothing else offers a 20% return for zero risk.

However, you're throwing \$100k into an experiment, something we've never really experienced before. We'd like to believe that the Terra ecosystem grows organically and healthfully, and that this massive UST growth is sustainable. With such an overwhelming amount of UST utilization coming from the Anchor protocol, the same needs to be said for it as well. You're essentially relying on two platform's experiments to both turn out successfully. This means economically and programmatically, as errors in the code can also lead to doom.

Personally, it's too risky for me. If everything works out, I think you guys stand to earn handsomely, but I'm pretty risk-averse and I can't look past the potential for collapse.

Krour - April 25, 2022, 8:25 am

As for every investment there's always a risk at hand, even hiding your money inside a safe in your house, it might get stolen.

That aside first and foremost always invest what you can afford to lose, but in my personal opinion this is as safe as an investment can be.

Good luck and I hope you get good returns as I'm doing.

UNKNOWN1 - April 25, 2022, 9:53 am

Imho investing \$100k into BTC or other good crypto project can give better returns than just stake a stable coin

___GS___ - April 25, 2022, 10:59 am

(Apr 25, 2022 07:41 AM)BV1 Wrote: [\[CITE\]](#) In theory, if all goes to plan, it's very solid. Nothing else offers a 20% return for zero risk.

However, you're throwing \$100k into an experiment, something we've never really experienced before. We'd like to believe that the Terra ecosystem grows organically and healthfully, and that this massive UST growth is sustainable. With such an overwhelming amount of UST utilization coming from the Anchor protocol, the same needs to be said for it as well. You're essentially relying on two platform's experiments to both turn out successfully. This means economically and

programmatically, as errors in the code can also lead to doom.

Personally, it's too risky for me. If everything works out, I think you guys stand to earn handsomely, but I'm pretty risk-averse and I can't look past the potential for collapse.

Thanks for your opinion. But anchor protocol seems very promising.

(Apr 25, 2022 08:25 AM)Krouer Wrote: [\[CITE\]](#) As for every investment there's always a risk at hand, even hiding your money inside a safe in your house, it might get stolen.

That aside first and foremost always invest what you can afford to lose, but in my personal opinion this is as safe as an investment can be.

Good luck and I hope you get good returns as I'm doing.

Haha yeah true indeed. Special thanks to you for suggesting me.

(Apr 25, 2022 09:53 AM)UNKNOWN1 Wrote: [\[CITE\]](#) Imho investing \$100k into BTC or other good crypto project can give better returns than just stake a stable coin

Kinda risky to hold, either it may go down or up who knows. But thanks for your opinion.

Yin Yang - April 25, 2022, 11:23 am

Safe bet, it's a stable coin that has audits in-place.

Not in a liquidity pool either- that's easy \$

SUI-3183372 - April 25, 2022, 11:26 am

(Apr 25, 2022 10:59 AM)Goldsound Wrote: [\[CITE\]](#) But anchor protocol seems very promising.

Poly Network, Wormhole, and Beanstalk were also very promising seeming.

Then they were exploited and drained of all of their liquidity before anyone could realize what was happening.

I know that this isn't a 1:1 comparison, I'm just trying to highlight that none of us have any idea how secure the platform really is. You simply hope the developers have done their due diligence, that audits have covered all bases.

Edit: Also I'm not trying to shit on UST or Anchor. I'd be lying if I said I wasn't incredibly tempted to get in myself, I'm just hesitant.

Edit 2: At one point I had heard that the Terra Foundation only had about 3 months of operating costs necessary to maintain this 20% APY rate, with the hopes that 3 months of this is enough time to draw people in and grow their ecosystem to a healthy level, and then at that point the rate can fall to its natural levels, still hopefully in the 15% range. Someone else had also told me they have an additional 3 months of operating costs set aside in case they need to to double that time span and continue offering 20% APY.

Can anyone verify this claim? I'll start digging to see if I can find where I read this.

___GS___ - April 25, 2022, 11:44 am

(Apr 25, 2022 11:23 AM)Yin Yang Wrote: [\[CITE\]](#) Safe bet, it's a stable coin that has audits in-place.

Not in a liquidity pool either- that's easy \$

Yeah. Exactly.

(Apr 25, 2022 11:26 AM)BV1 Wrote: [\[CITE\]](#) Poly Network, Wormhole, and Beanstalk were also very promising seeming.

Then they were exploited and drained of all of their liquidity before anyone could realize what was happening.

I know that this isn't a 1:1 comparison, I'm just trying to highlight that none of us have any idea how secure the platform really is. You simply hope the developers have done their due diligence, that audits have covered all bases.

Like what will happen if they gets exploited?

SUI-3183372 - April 25, 2022, 11:47 am

(Apr 25, 2022 11:44 AM)Goldsound Wrote: [\[CITE\]](#) Like what will happen if they gets exploited? Yes. However, I wasn't aware of what [Yin Yang](#) stated. I thought Anchor Protocol was still just tossing your UST into a liquidity pool.

Do you maintain custody over your UST the entire time? Is the only risk UST destabilizing and becoming unpegged?

GS - April 25, 2022, 11:54 am

(Apr 25, 2022 11:47 AM)BV1 Wrote: [\[CITE\]](#) Yes. However, I wasn't aware of what [Yin Yang](#) stated. I thought Anchor Protocol was still just tossing your UST into a liquidity pool.

Do you maintain custody over your UST the entire time? Is the only risk UST destabilizing and becoming unpegged?

Idk, but I am planning to withdraw my monthly profits.

Omniscient - April 25, 2022, 12:06 pm

I like the move. I assume this is only a portion of your holdings and it's a diversification move that ensures a \$20k annual return in a sideways market.

GS - April 25, 2022, 12:09 pm

(Apr 25, 2022 12:06 PM)Omniscient Wrote: [\[CITE\]](#) I like the move. I assume this is only a portion of your holdings and it's a diversification move that ensures a \$20k annual return in a sideways market. Exactly. \$20k risk-free annual income(Unless or until they gets hacked/exploited).

SUI-3183372 - April 25, 2022, 12:27 pm

(Apr 25, 2022 11:26 AM)BV1 Wrote: [\[CITE\]](#) Edit 2: At one point I had heard that the Terra Foundation only had about 3 months of operating costs necessary to maintain this 20% APY rate, with the hopes that 3 months of this is enough time to draw people in and grow their ecosystem to a healthy level, and then at that point the rate can fall to its natural levels, still hopefully in the 15% range. Someone else had also told me they have an additional 3 months of operating costs set aside in case they need to to double that time span and continue offering 20% APY.

Can anyone verify this claim? I'll start digging to see if I can find where I read this.

https://twitter.com/DeFi_Made_Here/status/1512150370440691714

This is what I was looking for. With the Luna Foundation Guard subsidizing the returns for Anchor, we get these 20% rates that we see today, but the actual organic returns that Anchor Protocol can offer are roughly only 6%. LFG has primed Anchor Protocol with \$450m to subsidize their returns and it costs Anchor roughly \$122m per month to do so, meaning they received 3 months of operating costs and will need to be replenished soon. These rates are only sustainable for as long as the LFG is willing to shovel hundreds of millions of dollars to Anchor Protocol, but the good news is it sounds like they're willing to keep doing this.

Furthermore, May 1st introduces the new Semi-Dynamic Earn rate, meaning the returns for Anchor are now going to shift between 15% and 20%, depending on the direction of pressure. This may introduce large impacts on the demand.

<https://twitter.com/RossShuel/status/1511861439996198914>

I wouldn't get your hopes up for consistent 19.5% returns, you're likely going to hover at 16.5% - 18%.

The biggest problem I have with this is, the entire thing screams centralization. 75% of the utilization is happening on one platform. That platform can only offer the rates it does through subsidizing a singular platform. The money used to subsidize that platform comes from, again, a singular foundation. There's a large network being formed here with many singular points of failure that can cause the entire thing to come crashing down.

At this point I'm becoming a bit hesitant to call Anchor and UST DeFi. This is just CeFi playing dress up.

shreder - April 25, 2022, 12:27 pm

As others said its all good unless exploited. So there is always inherent risk.

__GS__ - April 25, 2022, 1:45 pm

(Apr 25, 2022 12:27 PM)BV1 Wrote: [\[CITE\]](#)

https://twitter.com/DeFi_Made_Here/status/1512150370440691714

This is what I was looking for. With the Luna Foundation Guard subsidizing the returns for Anchor, we get these 20% rates that we see today, but the actual organic returns that Anchor Protocol can offer are roughly only 6%. LFG has primed Anchor Protocol with \$450m to subsidize their returns and it costs Anchor roughly \$122m per month to do so, meaning they received 3 months of operating costs and will need to be replenished soon. These rates are only sustainable for as long as the LFG is willing to shovel hundreds of millions of dollars to Anchor Protocol, but the good news is it sounds like they're willing to keep doing this.

Furthermore, May 1st introduces the new Semi-Dynamic Earn rate, meaning the returns for Anchor are now going to shift between 15% and 20%, depending on the direction of pressure. This may introduce large impacts on the demand.

<https://twitter.com/RossShuel/status/1511861439996198914>

I wouldn't get your hopes up for consistent 19.5% returns, you're likely going to hover at 16.5% - 18%.

The biggest problem I have with this is, the entire thing screams centralization. 75% of the utilization is happening on one platform. That platform can only offer the rates it does through subsidizing a singular platform. The money used to subsidize that platform comes from, again, a singular foundation. There's a large network being formed here with many singular points of failure that can cause the entire thing to come crashing down.

At this point I'm becoming a bit hesitant to call Anchor and UST DeFi. This is just CeFi playing dress up.

18-16.5% is also not bad even if it happens.

and I don't really care about the interest. As long as my invested funds are safe.

Even the good thing is that our funds are not locked. We can withdraw anytime.

Also keeping an eye on this one (which seems also interesting):

<https://hackforums.net/showthread.php?tid=6202422>

But yeah thanks for the detailed info.

(Apr 25, 2022 12:27 PM)shreder Wrote: [\[CITE\]](#) As others said its all good unless exploited. So there is always inherent risk.

Yeah. Hope it never happens.

SUI-3183372 - April 25, 2022, 2:24 pm

<https://www.coindesk.com/layer2/2022/04/22/built-to-fail-why-terrausds-growth-is-giving-finance-experts-nightmares/>

A pretty solid write up on what has to happen for UST to fail and depeg from \$1.

With APY dropping to 18.5% May 1st, and USDD launching in May with promises to bring a platform with an alleged 30% APY, we may see this series of events unfold sooner rather than later.

___ **GS** ___ - April 25, 2022, 2:32 pm

(Apr 25, 2022 02:24 PM)BV1 Wrote: [\[CITE\]](#)

<https://www.coindesk.com/layer2/2022/04/22/built-to-fail-why-terrausds-growth-is-giving-finance-experts-nightmares/>

A pretty solid write up on what has to happen for UST to fail and depeg from \$1.

With APY dropping to 18.5% May 1st, and USDD launching in May with promises to bring a platform with an alleged 30% APY, we may see this series of events unfold sooner rather than later. I will move to tron USDD for 30% APY (if it's launched). ?

___ **GS** ___ - May 8, 2022, 5:14 pm

So, need further suggestions about current situation of UST.

Yin Yang - May 8, 2022, 5:28 pm

Did you go into tron instead? But here's an [article](#) on the recent depeg UST

Quote:Seems like this is what happened:

- Massive \$UST sell-off on Curve
- Rumors spreading quickly on Twitter
- Leads to a \$2B withdrawal of \$UST on Anchor
- Price of \$LUNA tanks
- \$UST depeg to 0.987
- Peg straight up to 0.995 after Do Kwon tweet
- Jump selling assets to buy \$UST

[Tweet](#)

___ **GS** ___ - May 9, 2022, 3:26 am

(May 8, 2022 05:28 PM)Yin Yang Wrote: [\[CITE\]](#) Did you go into tron instead? But here's an [article](#) on the recent depeg UST

[Tweet](#)

Yeah, I am planning to move my assets to tron USDD once they launch their 30% APY on justlend. But yeah, I am loosing all my profit(maybe facing \$100-500 loss) if I cash out those UST now.

EDIT: Thanks for the detailed info.

shredder - May 9, 2022, 3:43 am

(May 9, 2022 03:26 AM)Goldsound Wrote: [\[CITE\]](#) Yeah, I am planning to move my assets to tron USDD once they launch their 30% APY on justlend.

But yeah, I am loosing all my profit(maybe facing \$100-500 loss) if I cash out those UST now.

EDIT: Thanks for the detailed info.

What if the same that happened to UST happens to tron USDD?

__GS__ - May 9, 2022, 3:55 am

(May 9, 2022 03:43 AM)shredder Wrote: [\[CITE\]](#) What if the same that happened to UST happens to tron USDD?

No one knows. UST will also bounce back. But tron seems more reputable and promising about maintaining their UST peg.

shredder - May 9, 2022, 4:22 am

(May 9, 2022 03:55 AM)Goldsound Wrote: [\[CITE\]](#) No one knows. UST will also bounce back. But tron seems more reputable and promising about maintaining their UST peg.

Tron is more reputable? Lol this is the first time i have ever heard of this.

__GS__ - May 9, 2022, 4:32 am

(May 9, 2022 04:22 AM)shredder Wrote: [\[CITE\]](#) Tron is more reputable? Lol this is the first time i have ever heard of this.

Yeah as far as I have seen. (my personal opinion)

But what are you trying to explain there? I am here to get some suggestions, Not to make fun of me.

T0rped0 - May 9, 2022, 5:43 am

That's a safe investment lad. Well done :)

__GS__ - May 9, 2022, 6:40 am

(May 9, 2022 06:11 AM)Focus Broken Wrote: [\[CITE\]](#) Ignore him, he said everything was "all good" right before it depegged, now he's trying to troll you:

Yeah, That's all good.

?

xVulnerable - May 9, 2022, 10:38 am

Very bad investment IMO. Stable coins are not safe long term. How do you know it's not going to de-peg and fail permanently? \$1.5k passive monthly income is nice, but you're risking to lose all your \$100k if something bad happens. Sure banks also have risks but safer than holding large sums in stables.

SIM-5049184 - May 9, 2022, 11:06 am

There is a good chance that if the peg fails to adjust here luna fails. This is either a fud = moon situation or a fud = fail situation.

If the peg is able to return luna should return over time. If it fails luna is done as we know it.

diesiel - May 9, 2022, 2:10 pm

(May 9, 2022 10:38 AM)xVulnerable Wrote: [\[CITE\]](#) Very bad investment IMO. Stable coins are not safe long term. How do you know it's not going to de-peg and fail permanently? \$1.5k passive monthly income is nice, but you're risking to lose all your \$100k if something bad happens. Sure banks also have risks but safer than holding large sums in stables.

No such thing as risk free 20% returns, as people are finding out.

th3c0rrupt3d0n3 - May 9, 2022, 3:11 pm

Ay lmao we joined anchor for 20% yearly apy and now we going to end the year with minus -99%

shreder - May 9, 2022, 3:11 pm

(May 9, 2022 04:32 AM)Goldsound Wrote: [\[CITE\]](#) Yeah as far as I have seen. (my personal opinion) But what are you trying to explain there? I am here to get some suggestions, Not to make fun of me.

I'm telling you that blindly trusting Tron is not a better option. I already stated in my first post that it was good until something happened, and something did happen. The same can be said for Tron. Keep your investments safe out there.

___GS___ - May 9, 2022, 3:23 pm

(May 9, 2022 03:11 PM)th3c0rrupt3d0n3 Wrote: [\[CITE\]](#) Ay lmao we joined anchor for 20% yearly apy and now we going to end the year with minus -99%

True that.

(May 9, 2022 03:11 PM)shreder Wrote: [\[CITE\]](#) I'm telling you that blindly trusting Tron is not a better option. I already stated in my first post that it was good until something happened, and something did happen. The same can be said for Tron. Keep your investments safe out there.

How unlucky I have turned out to be. It was all running smoothly before my investment.

But yeah currently tron is the best safe option for me. But for now, I am also sure that UST will bounce back.

shreder - May 9, 2022, 7:01 pm

(May 9, 2022 03:23 PM)Goldsound Wrote: [\[CITE\]](#) True that.

How unlucky I have turned out to be. It was all running smoothly before my investment.

But yeah currently tron is the best safe option for me. But for now, I am also sure that UST will bounce back.

It might bounce back, if it does it might take a bit. Just be careful you never know Tron USDD might be next on the chopping block.

The Host - May 9, 2022, 7:18 pm

Unlucky oP. Didn't expect this to drop

___GS___ - May 10, 2022, 3:24 am

Alright, So yeah its fighting back. And I am much more happy that their team is working hard to regain its peg.

UNKNOWN1 - May 10, 2022, 9:24 am

I don't think they will let it die anytime soon, they seem to be working hard to stable it to \$1 whoever has balls buy UST and sell at \$1 for easy profit

___GS___ - May 10, 2022, 9:39 am

(May 10, 2022 09:24 AM)UNKNOWN1 Wrote: [\[CITE\]](#) I don't think they will let it die anytime soon, they seem to be working hard to stable it to \$1 whoever has balls buy UST and sell at \$1 for easy profit

Things are not looking good as they have withdrawn all their BTC reserve balance.

<https://datastudio.google.com/reporting/b31cc9e5-c54c-4418-a6ce-b332c57e82e9/page/4YBqC?s=or-T7NeGLew>

Means there is no backup until they brings more reserves somehow.
I have cashed it out for 291 BNB.

So my routes in last 15 days was:
260 BNB -> \$103000 UST
\$103500 UST -> 291 BNB

Still 31 BNB profit for me. Which is not bad.

Lilith - May 10, 2022, 9:55 am

(May 10, 2022 09:39 AM)Goldsound Wrote: [\[CITE\]](#) Things are not looking good as they have withdrawn all their BTC reserve balance.

<https://datastudio.google.com/reporting/b31cc9e5-c54c-4418-a6ce-b332c57e82e9/page/4YBqC?s=or-T7NeGLew>

Means there is no backup until they brings more reserves somehow.
I have cashed it out for 291 BNB.

So my routes in last 15 days was:
260 BNB -> \$103000 UST
\$103500 UST -> 291 BNB

Still 31 BNB profit for me. Which is not bad.

Happy you made it out the other end whole and with a profit but damn if that isn't a series of unfortunate events either way. Was really hoping to see you go big with this.

funtela - May 10, 2022, 10:01 am

(May 10, 2022 09:39 AM)Goldsound Wrote: [\[CITE\]](#) Things are not looking good as they have withdrawn all their BTC reserve balance.

<https://datastudio.google.com/reporting/b31cc9e5-c54c-4418-a6ce-b332c57e82e9/page/4YBqC?s=or-T7NeGLew>

Means there is no backup until they brings more reserves somehow.
I have cashed it out for 291 BNB.

So my routes in last 15 days was:
260 BNB -> \$103000 UST
\$103500 UST -> 291 BNB

Still 31 BNB profit for me. Which is not bad.
\$10k profit in 15 days?

SUI-3183372 - May 10, 2022, 10:04 am

(May 10, 2022 10:01 AM)funtela Wrote: [\[CITE\]](#) \$10k profit in 15 days?
\$500

BNB value has dropped tremendously since he bought in, so while he ended with more BNB than he started, the value of BNB is much lower.

(I know he wrote "31 BNB profit" as well, I just don't think he realizes what he said, look at USD figures he gave us)

funtela - May 10, 2022, 10:21 am

(May 10, 2022 10:04 AM)BV1 Wrote: [\[CITE\]](#) \$500

BNB value has dropped tremendously since he bought in, so while he ended with more BNB than he started, the value of BNB is much lower.

(I know he wrote "31 BNB profit" as well, I just don't think he realizes what he said, look at USD figures he gave us)

Yea that makes sense. Thanks for clarifying

GS - May 10, 2022, 10:28 am

(May 10, 2022 10:21 AM)funtela Wrote: [\[CITE\]](#) Yea that makes sense. Thanks for clarifying
Yeah I have ended up with less USD value.

BNB will bounce back for sure one day. but I was unsure about that UST.(Specially after looking at their reserve balance).

nelz - May 12, 2022, 3:05 am

Glad you got out of it OP, was worried for you.

GS - May 12, 2022, 3:20 am

(May 12, 2022 03:05 AM)nelz Wrote: [\[CITE\]](#) Glad you got out of it OP, was worried for you.
Haha yeah, Cashed out at right time.

Crypto - May 12, 2022, 6:49 am

You almost just dumped \$100k into a hellhole.

Glad you got out in time.

GS - May 12, 2022, 7:01 am

(May 12, 2022 06:49 AM)Crypto Wrote: [\[CITE\]](#) You almost just dumped \$100k into a hellhole.

Glad you got out in time.

Haha yeah.

m8than - May 12, 2022, 7:18 am

(May 10, 2022 09:39 AM)Goldsound Wrote: [\[CITE\]](#) Things are not looking good as they have withdrawn all their BTC reserve balance.

<https://datastudio.google.com/reporting/b31cc9e5-c54c-4418-a6ce-b332c57e82e9/page/4YBqC?s=or-T7NeGLew>

Means there is no backup until they brings more reserves somehow.
I have cashed it out for 291 BNB.

So my routes in last 15 days was:

260 BNB -> \$103000 UST
\$103500 UST -> 291 BNB

Still 31 BNB profit for me. Which is not bad.

I'm glad you got out of it man but isn't your logic opposite whats happened. They withdrew the BTC reserve balance so they could buy UST up to try and keep the peg no?

Maskin - May 12, 2022, 8:05 am

Just in case you're living in a false reality and actually lost a lot of money, don't give up and buy some BTC

SUI-3183372 - May 12, 2022, 8:29 am

(May 12, 2022 07:18 AM)m8than Wrote: [\[CITE\]](#) I'm glad you got out of it man but isn't your logic opposite whats happened. They withdrew the BTC reserve balance so they could buy UST up to try and keep the peg no?

Correct. The reserve was being put to work, serving its intended purpose. It wasn't gone.

That being said, even if his logic was a bit flawed, OP still arrived at the correct answer, which was to get the fuck outta there.

Do Kwon needed that \$10b+ reserve that he envisioned (and probably more), not \$1.5b.

SurHomme - May 12, 2022, 8:51 am

Guys what happened exactly? I don't understand how it can drop of 99.9% like that, just make no sens

m8than - May 12, 2022, 11:15 am

(May 12, 2022 08:29 AM)BV1 Wrote: [\[CITE\]](#) Correct. The reserve was being put to work, serving its intended purpose. It wasn't gone.

That being said, even if his logic was a bit flawed, OP still arrived at the correct answer, which was to get the fuck outta there.

Do Kwon needed that \$10b+ reserve that he envisioned (and probably more), not \$1.5b.
it sucks that if this wasnt done now it would have been much much harder to do in not even the far future.