

Forum:[Hack Forums](#)

Thread: [USDe "Synthetic Dollar" Launches Boasting 24%+ Annualized Yield](#)

SUI-3183372 - February 23, 2024, 1:07 pm

[Ethena](#) has introduced the [USDe stablecoin](#), as well as sUSDe, a yield-bearing version, after raising \$14 million from top crypto funds and exchanges. USDe aims to achieve stability through backings of Ether and Ether derivatives, offering "a more decentralized" alternative to the likes of USDC and USDT. Staked USDe, called sUSDe, currently offers a 24% annual yield, drawing interest for its competitive returns.

Unlike other Ether-backed stablecoins which require over-collateralization, users can mint USDe with about \$1 in Ether. Ethena claims to have effectively solved the over-collateralization requirement with a "novel design": It opens short derivatives positions on centralized exchanges to offset the long spot positions represented by users' deposited assets.

The Web3 community argues that this approach is too risky and that USDe will destabilize, drawing parallels to the Terra UST implosion. Ethena Labs have responded by rebranding USDe as a "synthetic dollar" rather than a "stablecoin" (lol) and emphasize its difference from traditional fiat-backed stablecoins, highlighting its unique backing and yield mechanisms:

"Ethena's USDe is not the same as a fiat stablecoin like USDC or USDT. USDe is a synthetic dollar, collateralized with crypto assets and corresponding short futures positions. This means that the risks involved are inherently different"

USDe currently sits at \$420.5m TVL and sUSDe currently offers 24.04% APY.

Always interesting to see how these play out, hopefully this one doesn't thrust us into 2 years of negative price action like UST did.

Full disclosure I hold absolutely zero of everything mentioned in this topic, I'm just a curious onlooker waiting for the show to start.

webdev77 - February 23, 2024, 1:16 pm

Zero chance that a 24% yield is sustainable. There are a grand total of zero forms of financial instruments that have maintained that over time.

Yin Yang - February 23, 2024, 7:51 pm

Are these to attract users? Wouldn't be surprised if they slash that rate in less than a month.

Dirty - February 23, 2024, 11:12 pm

(Feb 23, 2024 02:16 PM)webdev77 Wrote: [\[CITE\]](#) Zero chance that a 24% yield is sustainable. There are a grand total of zero forms of financial instruments that have maintained that over time.

I'm somewhat surprised after the collapses over the last few years that coins are trying to shovel this bullshit again.

LeetSpeed - February 24, 2024, 1:26 pm

(Feb 23, 2024 02:16 PM)webdev77 Wrote: [\[CITE\]](#) Zero chance that a 24% yield is sustainable. There are a grand total of zero forms of financial instruments that have maintained that over time.

Most likely it will has some strings attached too. For example you must deposit \$xxxx.xx amount.

Kaleb - February 26, 2024, 12:41 am

(Feb 24, 2024 02:26 PM)LeetSpeed Wrote: [\[CITE\]](#) Most likely it will has some strings attached too. For example you must deposit \$xxxx.xx amount.

That doesn't make it any more logical lmao, 24% APY is not real, it's not sustainable, and something will happen at some point.

___**GS**___ - February 26, 2024, 3:22 am

Thanks for the share, Looks very interesting.

Neal Caffrey - February 26, 2024, 4:04 am

(Feb 26, 2024 04:22 AM)Goldsound Wrote: [\[CITE\]](#) Thanks for the share, Looks very interesting. dam i didnt know you were interested in stablecoins like ethena's usde, you must be really smart and handsome

___**GS**___ - February 26, 2024, 5:30 am

(Feb 26, 2024 05:04 AM)Neal Caffrey Wrote: [\[CITE\]](#) dam i didnt know you were interested in stablecoins like ethena's usde, you must be really smart and handsome
oh here we go, we got sir neal caffrey(HF). Please call it ponzi/scam project so it'll grow. ?
Crypto expert Neal CaffreyHF sir! ?

Kaleb - February 26, 2024, 2:21 pm

(Feb 26, 2024 06:30 AM)Goldsound Wrote: [\[CITE\]](#) oh here we go, we got sir neal caffrey(HF). Please call it ponzi/scam project so it'll grow. ?
Crypto expert Neal CaffreyHF sir! ?
I'm sure it'll take off like UST.

Sudsy - February 26, 2024, 10:28 pm

I've said it before, anyone chasing these high yields are fools. It is not sustainable and it is just expensive marketing. It might be a hot take, but anyone who lost money on platforms like Celsius deserved it 100%.

Think about it though, if you knew how to consistently get 1% every year, everyone on Wall Street would line up around the corner to suck you off in hopes you dash a little of your magic on them. Now these random fucks none of us have ever heard of offer 24%? Lol good one

SIM-1866423 - February 26, 2024, 10:36 pm

They are just like banks, want you to stake every stable coin during bull run so they can make tons of money while giving you tips.It is only sustainable during bull run.Just check history of \$WAVES ...

Just close your eyes and put money into first coin you click you would make way more during bull run, lol.

___**GS**___ - February 27, 2024, 12:26 am

(Feb 26, 2024 03:21 PM)Kaleb Wrote: [\[CITE\]](#) I'm sure it'll take off like UST.

You are sure? lol who cares if you are so sure? If you are so sure then go make money?

Btw why USDD(Ponzi/scam/UST) still going good? it has been 2 years.

No one cares if you are sure or not. ??

Dirty - February 27, 2024, 1:39 am

(Feb 27, 2024 01:26 AM)Goldsound Wrote: [\[CITE\]](#) You are sure? lol who cares if you are so sure? If you are so sure then go make money?

Btw why USDD(Ponzi/scam/UST) still going good? it has been 2 years.

No one cares if you are sure or not. ??

UST is going so well right now, its such a stable 0.03 USD for a stablecoin, it's practically as good as it gets.

SUI-3183372 - February 27, 2024, 11:40 am

Ethena began Phase Two of its airdrop / shard campaign today.

Ethena's shard campaign is similar to points campaigns like those offered by EigenLayer, where the expectation is that shards will convert to Ethena governance tokens in the future.

USDe is backed by Ether and Ether derivatives, and can be minted with \$1 in Ether, unlike other Ether-backed stablecoins, which require over-collateralization.

Phase One of the campaign, from February 19 to 26, saw the total circulating supply of USDe rise to over \$453 million while offering stakers a 24% annual yield.

In the first phase, users earned a certain number of shards per day for staking USDe, buying and holding USDe, or providing USDe liquidity on decentralised exchange Curve Finance.

For Phase Two, Ethena is increasing the amount of USDe that can be locked to earn shards, adding a new Curve liquidity pool, and rewarding users for depositing USDe in yield trading market, Pendle.

Full disclosure I hold absolutely zero of everything mentioned in this topic, I'm just a curious onlooker waiting for the show to start.

nelz - February 28, 2024, 1:17 am

(Feb 26, 2024 06:30 AM)Goldsound Wrote: [\[CITE\]](#) oh here we go, we got sir neal caffrey(HF). Please call it ponzi/scam project so it'll grow. ?

Crypto expert Neal CaffreyHF sir! ??

Is USDD still going? You must have made from from that? Congrats! ???

___GS___ - March 3, 2024, 8:32 am

(Feb 27, 2024 02:39 AM)Dirtybox Wrote: [\[CITE\]](#) UST is going so well right now, its such a stable 0.03 USD for a stablecoin, it's practically as good as it gets.

Another crypto expert arrives, Welcome sir! How can I earn money sir? Please advice, Need your precious prediction.

P.S I never took trusted UST. But yeah I trust USDD and its going well and made over \$30k in interest with it in last 2 years, So yeah keep calling it scam while I earn their 20% APY ??

? sad for you all.

(Feb 28, 2024 02:17 AM)nelz Wrote: [\[CITE\]](#) Is USDD still going? You must have made from from that? Congrats! ???

Ofc, I have withdrawn my staked funds but its still promising and going good so far, Even TRX got increased from 0.04 to 0.122 currently so made good amount of money.

Luckily I ignored the "CRYPTO EXPERTS" of HF otherwise I should be standing at 0 lol

SIM-1866423 - March 3, 2024, 12:39 pm

(Mar 3, 2024 11:05 AM)Focus Broken Wrote: [\[CITE\]](#) I feel bad for these guys, I'm earning 67%:

Each YEAR, if you put randomly your money into some coin you would earn x3-5 minimum in that kinda market that's how these people earning money and sending you tips. Once we enter bear market they are closing and run lmao but "unstake" time will save them not you.

SUI-3183372 - March 3, 2024, 3:23 pm

I feel bad for these guys, I'm earning 105%?

¬_(?)_¬

SIM-5049184 - March 3, 2024, 5:56 pm

CBA to read what they do but i'm assuming the 23% comes from shorts funding which is the same thing a lot of these restaking layers do

SUI-3183372 - April 4, 2024, 11:23 am

APY is up to 37.1%

Interesting write up from Arthur Hayes on USDe. Perhaps it's not as bad as it looks at face value.

<https://cryptohayes.medium.com/dust-on-crust-part-deux-85a4670239d6>

SUI-3183372 - July 24, 2025, 9:30 am

Average yield since launch: 19% APY

Current yield: 12% APY

USDe set to become the first approved stablecoin under the GENIUS act.

I was wrong to fade Ethena. They seem to be doing everything right and have made tremendous progress since their launch.

Omniscient - July 24, 2025, 10:10 am

Someone eventually had to figure it out. Terra felt like incompetence and corruption.

Braco22 - July 26, 2025, 5:34 am

So wait, in short words, does this have the same future as Luna or?

SUI-3183372 - August 4, 2025, 10:27 am

(Jul 26, 2025 05:34 AM)Braco22 Wrote: [\[CITE\]](#) So wait, in short words, does this have the same future as Luna or?

Potentially yes, as the cracks are starting to show.

Aave just released a report citing Ethena as the greatest risk to its platforms. As users continue to dump copious amounts of USDe into Aave, Ethena continues to lend out the underlying stables keeping USDe pegged.

"It is critical that Ethena avoids over deploying its stablecoin reserves into Aave," the risk adviser said. "Self-limiting this exposure can help safeguard both redemption integrity and market stability."

"This dual role of backing assets, both as redemption capital and liquidity on Aave, creates a fragility that could amplify stress across both protocols during a deleveraging event"

This topic is brought up as the supply of Ethena's USDe surged 75% over the past month to an all-time high of \$9.3 billion. Of that amount, 55% of USDe-backed assets, or \$4.7 billion worth, is deposited to Aave.

Ethena are greasing the wheels for a scenario where, during bearish conditions, USDe holders may find themselves caught in a liquidity crunch. Under bearish conditions, those holding USDe will look to redeem it. But if the assets that back it have been lent out by Ethena on Aave, it could cause real problems. This is further compounded and complicated caused by the all too popular looping strategy that many USDe holders employ.

"If such a situation arises when Aave markets are already strained, Chaos Labs said, forced withdrawals by Ethena could create a liquidity crunch.

That, in turn, will drive up stablecoin borrow rates and trigger contagion in other markets reliant on stablecoin borrowing, which will force other borrowers on Aave to also exit markets."

There is no immediate threat to USDe, but as it continues to grow at such a rapid pace, and Ethena continues to rehypothecate more of USDe's backing assets, we can say that without intervention, we have a ticking time bomb on our hands. With that being said, Aave is working on manners in which they can protect their platform and intervene with plenty of time in the event that we do see a liquidity crunch.

Omniscient - August 4, 2025, 11:35 am

(Aug 4, 2025 10:27 AM)SUI-3183372 Wrote: [\[CITE\]](#) There is no immediate threat to USDe, but as it continues to grow at such a rapid pace, and Ethena continues to rehypothecate more of USDe's backing assets, we can say that without intervention, we have a ticking time bomb on our hands. With that being said, Aave is working on manners in which they can protect their platform and intervene with plenty of time in the event that we do see a liquidity crunch.

Typically the "no immediate threat" seems to be followed by "total collapse" overnight.

Would not trust these high-yield stablecoins. They continually end up being schemes.

SUI-3183372 - August 7, 2025, 9:31 am

Informative thread:

Braco22 - August 9, 2025, 9:43 am

They are down to 5% APY right now. What's with the sudden change in percentage? I mean 5% is OKAY and more than most banks give but...

SUI-3183372 - August 9, 2025, 12:00 pm

(Aug 9, 2025 09:43 AM)Braco22 Wrote: [\[CITE\]](#) They are down to 5% APY right now. What's with the sudden change in percentage? I mean 5% is OKAY and more than most banks give but...

The play has shifted to putting your USDe to work on Aave or PendleFi. Still plenty of double digit

yield opportunities still with only exposure to stables.