



The Hong Kong University of Science and Technology

Department of Mathematics

Seminar on Financial Mathematics

Designing Stable Coins

by

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Abstract

Stable coins, which are cryptocurrencies pegged to other stable financial assets such as U.S. dollar, are desirable for payments within blockchain networks and as crypto money market accounts for asset allocation involving cryptocurrencies, whereby often being called the "Holy Grail of cryptocurrency." However, existing cryptocurrencies are too volatile for these purposes. In this talk, I will present the design of several dual-class structures that offer fixed income stable coins pegged to a traditional currency as well as leveraged investment instruments, based on the option pricing theory. The class A coin has a volatility comparable to that of the average exchange rate of world currencies against U.S. dollar, and the class A' coin is essentially pegged to U.S. dollar.

Date: *Thursday, 22 November 2018*
Time: *4:30p.m. - 5:30p.m.*
Venue: *Room 3598, Academic Building*
(near Lifts 27 & 28), HKUST

All are welcome!