



Stacks STX

Token type	Native Currency
Price	\$3.31
GCCS Classification	Scaling Platform, Infrastructure, Native Currency
Sector	Scaling Platform

Key Figures

52-Week Range	\$0.42- \$3.72
Market Rank	#27
Market Capitalization	\$3.86B
Volume (24h)	\$67.59M
Circulating Supply	1,453,825,557
Max Supply	1,818,000,000
Total Value Locked (TVL)	\$142.65M
Annualized Staking Yield	11.46%
ATH	\$3.72
ATH Date	April 1, 2024

Source: CoinGecko, DeFi Llama, Coinbase. Data as of April 8, 2024

Overview

For the first time in Bitcoin's history, **with Stacks, it's possible to build decentralized applications and leverage smart-contract technology compatible with the Bitcoin infrastructure. In other words, Stacks enables Bitcoin to become another base layer analogous to Ethereum for the next generation of Internet services — Web 3.** A group of Bitcoin developers proposed the idea in 2017, a separate blockchain that would extend the utility of Bitcoin by allowing anyone to write **smart contracts and launch decentralized applications**. Stacks is connected with Bitcoin through a novel consensus mechanism dubbed **Proof of Transfer (PoX)**, enabling **Bitcoin miners to lock their BTC to be eligible to validate transactions, secure the Stacks network, and earn rewards in Stacks' native token, STX**. In addition, STX serves as the fuel and medium of exchange to power applications and pay transaction fees. As of March 2023, Stacks has over **\$140 million** in assets under management across decentralized finance (DeFi) applications and a booming NFT ecosystem. Stacks' core vision is to expand beyond Bitcoin's principal use case as an emerging store-of-value asset. Succeeding in that mission would drive more demand for Bitcoin, increasing miners' revenue through higher transaction fees and contributing to the long-term security of the network, especially as the emission of new BTC will end in 2140.

- In **May 2019**, Muneeb Ali co-published the Stacks whitepaper, which introduced the Proof of Transfer consensus mechanism and Clarity, the network's programming language for smart contracts.
- In **September 2019**, the Stacks Foundation – formerly called BlockStack – raised over \$23 million in an STX token offering. It constituted the **first-ever SEC-qualified token offering**.
- In **December 2022**, the Stacks Foundation proposed the '**Nakamoto release**,' which introduces a trustless two-way system peg for sBTC and BTC, while enabling 100% of Bitcoin's hash power to secure the Stack's network. The Nakamoto Upgrade was approved by the community in March 2024, with its mainnet now expected to launch in May of 2024.

Key takeaways

- **Stacks** aims to build a **smart contract application layer** connected to and secured by the Bitcoin network.
- Its vision is to **unlock Bitcoin's ~\$500 billion in idle capital**, expanding its use cases beyond a store-of-value asset.
- Currently valued at **\$ 3.86 billion**.

Risk factors

- **Network security.** Stacks is connected to Bitcoin but has its own security budget, lowering the requirements for a 51% attack. The Nakamoto release aims to fix this vulnerability.
- **sBTC peg.** The fact that a decentralized group of signers has to sign a request when users withdraw sBTC (BTC locked on Stacks) to Bitcoin introduces a potential vertical for attacks.
- **Scaling risk.** Stacks is a nascent ecosystem, so it's unclear whether it will experience congestion as more users adopt the network.

Figure 1:
Price Performance



Figure 2:
Total Value Locked (TVL)



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