



Investment Thesis

Stellar XLM

Basic Information

Token type	Cryptocurrency
Price	\$0.09
GCCS Classification	Payment Platform, Infrastructure, Cryptocurrency
Sector	Payment Platform

Source: CoinGecko, Data as of November 4, 2024

Key Metrics

Price Range (1Y)	\$0.08 - \$0.15
All-Time High	\$0.87
All-Time High Date	3 January 2018
Down From All-Time High	88.3%
Market Capitalization	\$2.71B
Trading Volume (24H)	\$52.78M
Circulating Supply	29.83B XLM
Maximum Supply	50.00B XLM
Total Value Locked (TVL)	\$305.45M
Annualized Protocol Revenue	\$207.56K

Source: CoinGecko, DeFiLlama, Artemis
Data as of November 4, 2024

Overview

Stellar is an open-source payment network designed to make money more globally accessible. Its native currency, lumen (XLM), is used to set up accounts and pay transaction fees. **Stellar enables regulated entities to issue fully-backed, customizable stablecoins while maintaining compliance.** The network includes a decentralized exchange (DEX) for non-custodial currency trades and cross-currency transactions, which is ideal for remittances. The U.S.-based Stellar Development Foundation (SDF) drives the network's growth and engages with regulators and institutions.

- **June 2013:** Jed McCaleb, Ripple co-founder, left due to differing visions and later launched Stellar in 2014, forking the XRP Ledger.
- **November 2015:** Stellar introduced the Stellar Consensus Protocol (SCP), enhancing security and scalability, developed by Chief Scientist David Mazières.
- **November 2019:** The Stellar Development Foundation (SDF) reduced the total XLM supply from 105 billion to 50 billion by burning excess tokens.
- **October 2021:** MoneyGram partnered with SDF; by September 2023, USDC on Stellar supported 81,000 on-ramp and 320,000 off-ramp locations globally.
- **December 2022:** SDF launched Stellar Aid Assist, leveraging blockchain to deliver cash aid to displaced Ukrainians in collaboration with Circle and MoneyGram.
- **March 2024:** Stellar introduced smart contracts, enabling tokenization projects, including Franklin Templeton's money market fund and Circle's USDC deployment.
- **October 2024:** Paxos announced plans to integrate with Stellar and onboard assets by the end of 2024.

Key takeaways

- **Stellar is a decentralized payment protocol** designed to facilitate affordable and fast cross-border transactions, allowing financial institutions to issue fully collateralized stablecoins.
- Unlike many blockchain platforms that aim to disrupt traditional finance, **Stellar works to enhance existing financial systems, emphasizing interoperability and accessibility.**
- **Stellar envisions empowering everyday users to send money globally, fostering financial inclusion** in underserved markets through seamless, low-cost transactions.

Risk factors

- **Adoption Risk:** Stellar's share of the stablecoin market is less than 1% of the \$178 billion total market capitalization, highlighting its limited footprint compared to other blockchain ecosystems.
- **Centralization Concerns:** Issuers on Stellar must designate trusted nodes to handle stablecoin redemptions, potentially leading to over-reliance on the Stellar Development Foundation (SDF) for processing, which raises centralization risks.
- **Network Competition:** Competing platforms like Ethereum and Solana dominate stablecoin issuance and cross-border payments, challenging Stellar's ability to attract significant adoption.

Price Performance



Source: CoinGecko. Data from November 5, 2020 - November 4, 2024

Total Value Locked



Source: Artemis. Data from November 5, 2022 - November 4, 2024

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