mUSD

MamboDollar

Contract address:

zil1nq3j2df3d6ykqp4u73qufpls2ltewgty7ysk7c

100% fair launch on MamboSwap, no presales, no side accounts, no special conditions for anybody. Details of launch and how mUSD is issued at the end.

What is mUSD?

mUSD is an **elastic stablecoin**, issued by mambo.li in the zilliqa blockchain. It's the second from the mambo stablecoin family, so called mStables. Elastic means the quantity of coins will be adapted to the demand. Coins can be minted, if demand drives the price above the pegged price, and coins can be taken out of circulation or burnt if the price sinks below the pegged price.

Onto what is the mUSD pegged?

The price of mUSD is pegged on DAI and USDT, that means on Fiat USD. This makes it different from the main line of Mambo stablecoins which are pegged on the prices of physical assets, mainly retail market or luxury products.

The name mUSD

mUSD, MamboDollar is a stablecoin pegged on the price of DAI, USDT with the Mambo stabilization mechanism. That means it is an USD stablecoin pegged according to the Mambo protocol.
It's not a wrapped coin and it is backed only by other cryptocurrencies.

Why it's pegged on Fiat price and not like the other mStables on assets?

We will be the first in zilliqa to issue a USD pegged coin. We do this because we consider it to be useful to have this connection to the USD since Zil is counted in USD, and to be prepared for incoming wrapped USD stablecoins, once the zil-eth bridge is ready.

Who may consider to buy mUSD?

The USD stablecoins like USDT, BUSD, USDC, DAI and others are a multi billion market. Everybody who uses them coming to zilliqa may be interested in using mUSD.
To have an USD pegged stablecoin is a long awaited thing for zilliqans.

Can one expect the same accuracy and narrow margins for mUSD like for the above mentioned stablecoins?
No. Specially not in the beginning building up phase.
1) The first reason is, mStables are very new with a new concept and protocol that most are even not aware of it to exist, and if, may not yet fully understand or trust into it. Because of this, mStables may

begin with low liquidity and demand, and once the zilswap AMM LP opens, low liquidity means, high volatility even with low volume.
2) But mUSD will be launched at MamboSwap Automated Fixed Rates Exchange (MAFRE). This allows to swap and trade it with fixed rates without any price slippage even with low liquidity.
The possibility offered by MamboSwap with fixed rates are not yet well known or understood.
That saying, mUSD needs time to be acknowledge as trustworthy stablecoin.
FRANC-mUSD margin at MamboSwap will be in the beginning about 1%.

What makes mUSD different to all other stabelcoins outside the Mambo protocol:

A part of possible profits made by the stabilization mechanism can be distributed to LP providers or Coin holders, if there is enough collateral built up. (Minimum 150% collateralization needed to begin with distributing profits as interest (rewards) in FRANC or other mStables.
Unlike our other stablecoins, mUSD will not give any protection against creeping inflation, as it is inherent in FIAT money. But those possible redistribution of over collateral can be a very attractive incentive to choose mUSD as stablecoin instead of other USD stablecoins.

Use cases:

mUSD should be an good place to park values in times of crypto crashes and major corrections.
I can be used similar like any other USD pegged coin is used. This is a multi billion market.
Hopefully the mUSD MamboDollar will be accepted by more and more online and offline shops as payment currency. It's not money, but an crypto asset pegged on USD and collateralized with other cryptocurrencies, as DAI does. It can be an ideal barter medium and payment alternative.
We have a list of shops on mambo.li which accept mStablecoins.
The most important use case is, that it can be used for payments for daily life payments, since it has a stabilized price. If the pegged price can be maintained, it will be a good mean for payments, it's not so volatile like unpegged crypto currencies and has similar stability like fiat money. To be used as payment, it must be recognized by more an more shops and services.

Stabilization mechanism – How the mUSD will be stabilized to the pegged price?

Read the stablecoin protocol (philosophy) on https://mambo.li/stablecoins/stablecoinphilosophy/
(This is basic part of each mStable whitepaper).

In short:
1. One or two trader or stabilization accounts can or will trade the price back to the pegged price on AMM DEX's like zilswap, if it diverges more than 1-10% of the pegged goal. Our intention is, that it can be done by trading robots and / or smart contracts. But in the beginning it's done manually with irregular latency, **giving other arbitrage traders** or robots the chance to do it. Possible profits made with such trades will be used for building up collateral, expanding liquidity pools, to build up collateral for other mStablecoins and as rewards for LP Providers.

2. As a second important measure to stabilize the mUSD to the pegged price is our newly developed **MAFRE, MamboSwap Automated Fixed Rate Exchange, a token swap specially made for stablecoin to stablecoin swaps** at a fixed rate, that will be adjusted by mambo at least daily, if needed several times daily. It will run on mambo.li or a subdomain of it like **https://mafre-swap.mambo.li** .
We consider this fixed rate swap as a gamechanger in the cryptomarket. They will run in parallel with the AMM (Zilswap, etc..) and allow to adjust the price to the peg, **giving everybody who likes to do it the occasion for arbitrage trades and giving everybody who wants to buy or sell the stablecoin the choice of two Swaps, and he can swap where the price currently is better.**

3. Elastic supply according to demand and Seigniorage: Minting and Burning Tokens: If demand expands, more tokens are minted or put into circulation from the reserve account. If demand shrink, tokens will be bought back and taken out of circulation and partially burnt, if appropriate.
NO Burning Enforcement: It will be impossible by smart contract to burn out of other accounts than the burners. This makes law enforcement burn by corrupt totalitarian regimes as we currently face them, impossible. **All mStablecoins fulfill the Mambo Token Security Standard for Secure Minting and Burning: https://mambo.li .**
As allready mentioned in point 1, in the case of demand driving the price above peg on DEX's, we will sell into the market tokens from reserve, and if needed, mint new tokens. This is a kind of seigniorage.

4. As soon as we can raise enough funds from sales on MamboSwap, we will open a liquidity pool on zilswap. It is possible, that someone else opens such a pool before we do it. **We strongly recommand not to open an liqudity pool before we do.** We will have to trade the price in the pool towards the pegged price and the one that opened it or other early traders may suffer heavy losses because of this. Such AMM (automatic market maker) liquidity pools are not ideal for stablecoins. In case the zilswap liquidity pool price or any other future liquidity pool price should divert far from the pegged price, everybody can buy it from the private exchange and even make some profitable arbitrage trades, and helps by this to stabilize the pegged price. **On your own risk, since you must always calculate price slippage and the possibility that someone else is faster than you or that we change the fixed rates meanwhile on MamboSwap or that there are temporarily not enough funds to trade on MamboSwap.**

Collateralization:

mUSD is launch exclusively by selling FRANC for mUSD. That means, it's collateral is part of the FRANC collateral. The FRANC-mUSD Exchange rate will be calculated from the lower FRANC sell back rate, which is estimated to be fully collateralized. Because of this, mUSD will be from beginning easier to maintain around the pegged price, since the risk part is more on FRANC side. On the other hand, if FRANC roses from below peg to peg, it will gain in value towards mUSD. As an effect of this it will be more likely that the mUSD - ZIL price can be maintained around pegged price. Rates can be compared with zil price on zilstream or with exchanges like binance.
As collateral will be taken mainly ZIL and gZIL, XSGD, CARB, STREAM, ZWAP and Pillar.
We may use as collateral up to 5% $mambo, bought from market. Other tokens and new stablecoins not excluded.
For LP on Zilswap, we need to change half of our contribution into ZIL. For Liquidity on our MAFRE Swap we can use unlimited FRANC to satisfy demand.
A part may be changed into cryptocurrencies outside of zilliqa, as diversification, like Dai, BNB, BUSD, Monero and others. **Once the ZIL-ETH bridge brings in other USD Stablecoins, those will be taken too as collateral.**
We are convinced that a good currency must not be fully and exactly collateralized to be trustworthy. But we aim to collateralize it to about 150% to 200% over time. This will help to avoid big or long term fluctuations.

Profits:
Possible profits made with the stabilization mechanism. Only if collateral value is between 150-200% of circulating mUSD it will be considered as available profits. This number may change, if market situation becomes heavy volatile. Depending on general crypto market conditions and other factors, mambo team will decide when and how to distribute the profits. About 60% to distribute to FRANC and / or mUSD LP providers. About 10% for mambo team and About 30% to finance new mambo projects and mStablecoin launches and further development. If the market situation brings the collateral value near 150% or below, we will immediately stop distributing rewards.

Risks:

Collateral may loose value over short or long term. Short term likely to happen. Long term very unlikely.

Crypto market crashes could short time lead to a lack of enough collateral value. This may specially happen in the beginning phase where collateral must be build up yet. This can cause mUSD to fall below pegged price until collateral grows in value again. This may lead to a lack of liquidity. But it will always be possible to trade mUSD back to FRANC on MamboSwap.

It is not fully decentralized. Human error, unintended mistakes, abuse, inability to act.

Inability to act in time may not be underestimated as a risk. We are still a very small team an the goal is to become replaceable in future. But not in the beginning. One of the goal and vision of the Mambo Team is, to make those stablecoins as decentralized as possible. But in the beginning, many things are manually made by our team. One of the most difficult things to decentralize is the api to the peg price, the oracle. If somebody manipulates the api to the pegged price (the oracle) in a case where the rest is controlled fully automatic by smart contracts and/or robots, the whole thing would go nuts. In this case it is more trustworthy to trust in a team with a proof of history and proof of actions and integrity. Oracles do not exclude the possibility of bad manipulation completely in most cases.

Risk of bug in the whole concept of mambo. Watching what just happened in spring 2021 to some new "algorithmic pegged stablecoins", we rethought once more the whole concept.

Conclusions: To build and defend collateral is main rule. Better to allow the price for short term to fall below the pegged price, than holding a price peg with thin air.

We will not make unsustainable trades to support the price! The sell back mUSD vs FRANC rate on MAFRE will always use FRANC's estimated fully collateralized sell back rate.

Traders of mUSD which did not read or understand our concept may suffer loss because of buying or selling to a unsustainable price on Zilswap or other DEX's. We will aggressively sell down mUSD, if it is spiking above peg.

The Future of this new kind of Stablecoins

Since our idea and vision is very easy to copy, the best thing that could happen is to see many other groups of people realizing their stablecoin projects with the easy stabilization mechanism of mambo and the MAFRE, MamboSwap Automated Fixed Rate Exchange, a Swap ideal for Stablecoins. This would **be a kind of decentralization by diversity of private offers and issuers.** A free decentralized market allows everybody to issue his (crypto)currency, and the most trustworthy ones will survive and be established finally and be used for daily trustworthy stable payments.

Tokenomy of mUSD, MamboDollar

This is only the initial Token amount and distribution. The principle of mStablecoins is an elastic quantity according to demand. Additional tokens may be minted if needed. To much tokens may be taken out of circulation and burned, if the demand shrinks, to maintain the price.

Important to know is, that only the tokens sold in the liquidity pool and sold on Mambo Exchange, tokens sold from stabilization account, can be counted to be in circulation. Only those must be collateralized. Tokens remaining in Distributors account, our LP Share, Mambo Exchange or Stabilization Account are not to be considered in circulation. They are in reserve. Tokens in circulation are collateralized. By selling tokens from reserve, the amount of collateral growth.

Tokenomy Table below:

Initial Token Distribution of mUSD, MamboDollar

Initial supply: 303'000 Tokens (supply is elastic)
decimals 6
mUSD Contract address: **zil1nq3j2df3d6ykqp4u73qufpls2ltewgty7ysk7c**

Who	Percentage	tokens	Address:
Contract owner	0%	0	zil1nt00zxls992zakdq9fwcqqhafm4lqhxjf8rndk
Burner / Minter	0%	0	zil1lrltfxlmzky9dl3m3k35wdyamuz5ekmz7cm300
Distributor, Collateral, Reserve, LP Provider	33% elastic	100000	zil1jwupzktvdqpd90y7mrh68hpgxr9w8hlve8zk4l
Liquidity Pool, zil funds taken from Mafre sales	Growing aimed minimum	(100000)	zilswap.io
MAFRE Mambo SWAP **Mambo Automated Fixed Rates Exchange**	33%, elastic, funded from mafre manager	Initial: 100000	**https://Mafre-Swap.mambo.li** zil1pfvzz9vqpc60j3l2n3ltc586l65gvahj85xxg7
Stabilization Trader Account, elastic Mafre management, funded by Distributor	33% elastic	100000	**zil1nn0w0wyezp2l09eksyzekzv8t0yuc9jrwc37qn**
Maintenance	1% elastic for real cost only	3000	zil1f0gpn358eudw0l7ehr3cefe395hk97s2up7pk5

mUSD - Launch
How is mUSD launched and issued into market

mUSD is launched in July or August 2021.
It is a 100% fair launch. No dedicated accounts, no presales, no special conditions for anybody.

mUSD is exclusively launched on MamboSwap at https://mafre-swap.mambo.li at fixed rates.
It must be bought with FRANC Chocolate Stablecoin.
There are only 2 ways, mUSD comes into circulation:
1. Initial and continuing main entry point is: Must be bought with FRANC at MamboSwap
2. The second possibility is, when the price on zilswap or other AMM Dex's is above peg, we may sell mUSD into the market to lower down the price.
This two exclusive ways to come into circulation makes mUSD very transparent and easy manageable.
The only exception it the 1% Maintenance account, which can be neglected.

The rates on MamboSwap are taken from the current lower band sell FRANC rate, which is estimated to be fully collateralized. This will help to hold mUSD around it's pegged price. Most of the risk will remain on FRANC itself to fall below peg and not on mUSD. On the other hand, if FRANC comes back to it's pegged price, FRANC holders will profit of this, while mUSD holders will just sit on the peg and relatively loose buying power towards FRANC. But the goal is to be pegged on USD and not on some FRANC rate.