

flexUSD - yield on yield

flexUSD is a multi-yield bearing stablecoin issued by CoinFLEX and is the first stablecoin that pays interest at the base level.

For example, when you send in your USD to the Center and convert them to USDC, you do not earn any interest on your deposited USD nor on your stablecoins that are sent to your wallet. To earn yield on your stablecoins you then need to put them to work by lending them directly to someone else or yield farming or using the stablecoins as collateral to trade basis on derivatives products.

flexUSD and all flexAssets earn interest even when just sitting in a wallet, a DeFi app, exchange or margin account. This enables what we call “yield on yield” i.e. using natively yield bearing flexAssets to earn extra yield on top from these various sources in crypto.

Does “yield on yield” work for only flexUSD?

It works for all kinds of FLEX wrapped assets, from flexBTC, flexETH, flexBCH to any coins that CoinFLEX has repo markets in like flexLINK.

How do you get these flex assets?

You can create/redeem your assets 1:1 for flex assets on CoinFLEX.com and also via secondary market defi platforms.

How is flexUSD earning this yield?

Lets use flexUSD as an example, USDC stablecoin holders send their USDC to CoinFLEX and create flexUSD assets immediately. The USDC balances are deployed into our repo market and will be paid interest every 8 hrs if there is funding collected via repo. We don't know what this will be on any given day but our repo (see the gitbook section on how our repo markets work) markets have typically been paying out 5-10% annualised (uncompounded) to USDC lenders. This means that holders of flexUSD will earn this passive 5-10% interest while holding and using a 1:1 stable asset.

So where's the second source of yield?

These flexUSD and flex assets tokens can be taken off platform and deployed on defi lending platforms allowing you to earn further interest from yield farming. As exchanges start to accept flexUSD or flex assets as collateral, you can use this to trade basis and capture basis whilst at the same time earning yield from CoinFLEX's repo market. CoinFLEX allows flexAssets as collateral to trade futures, perps and spreads and has many spot markets for flexAssets as well.

What rate of returns/yield can i expect?

This is obviously hard to predict but what we can say with certainty is that your return from repo will be higher than 0%, unlike what you currently receive from all other 1:1 stablecoins. The past may not be a good indicator of the future but if you add our historical repo rates of say 7% to what you earn in farming pools, say 15%, then you are talking about a 22% rate of return without taking into account compounding!

When and how is the interest paid from repo returns?

We have 3 repo auctions per day and you will get your pro-rata share of any interest earned by borrowers borrowing your assets that underlie the flex assets. After each auction, we will transfer the interest earned on chain via the chain that you hold your flex assets on.

Do I have to move my flexUSD/assets onto another platform?

You can do what you wish with your flexUSD tokens, you can use them as collateral to trade on CoinFLEX or you can withdraw them to a personal wallet. While you hold them on other platforms and wallets, you will still receive interest.

What blockchains does flexUSD/assets exist on?

We will go live as a ERC20 token and also on the BCH network via SLP (simple ledger protocol). We will soon be adding flexUSD across all other chains as we want the token to be chain agnostic e.g. TRC20, EOS, Polkadot and others.

Can I redeem my flex assets for the native assets at any time?

You can choose to redeem your flex assets at any time for the native assets but it will be processed and credited at the next auction cycle. Our repo auctions are at 12 noon UTC, 8pm UTC and 4am UTC.

