

Deposit to earn rewards



Sign up and deposit to receive up to **17,500 USDT** in bonuses.
Exclusive for new users only.

Get it now

Difference Between Wrapped Luna and Terra Luna - Beginner's Guide

Original:

<https://www.btcc.com/en-US/academy/research-analysis/difference-between-wrapped-luna-and-terra-luna-beginners-guide>

To generate and control algorithmic stable currency, the financial sector has turned to [Terra](#), a decentralized, open-source system. Wrapped tokens, on the other hand, are just representations of the token on a different blockchain than the one it was originally designed for.

This article compares LUNA, Terra's native platform token, with [Wrapped LUNA](#), a derivative of LUNA (WLUNA). In the beginning, the two may seem similar, but with practice, you'll be able to tell them apart.

Terra (LUNA), Explained

In 2018, Terra was developed, and in January of 2019, it went live on the mainnet. LUNA, the platform's native coin, is a crucial resource in the Terra ecosystem. Its primary responsibility is to regulate the network and maintain a constant value for Terra's stablecoins.

Staking their LUNA for a passive income or validating transactions by operating a node are two options for LUNA owners. But the most essential thing is that LUNA stakeholders can propose and vote on improvement suggestions that affect the governance of the blockchain.



[Download App for Android](#)

[Download App for iOS](#)

Wrapped LUNA (WLUNA), Explained

In order to track the value of the original LUNA coin, a representative token called Wrapped LUNA

was created on the widely used Ethereum network.

WLUNA is compatible with Ethereum-based Defi protocols and decentralized exchanges because it is based on the ERC-20 standards for minting tokens on Ethereum.

The value of one LUNA is equivalent to one WLUNA.

Key Points-Difference Between Wrapped Luna and Terra Luna

The key distinctions between LUNA and WLUNA are summarized here.

No matter how different their underlying technologies are, the cost of LUNA and WLUNA remains the same. Having WLUNA will allow users to engage with LUNA in the native Ethereum network, expanding the coin's usability beyond Terra.



[Download App for Android](#)

[Download App for iOS](#)

What's Better, Terra Luna or Wrapped Luna?

Depending on your specific requirements, you should either purchase LUNA or WLUNA. The Terra ecosystem's native token, LUNA, can be utilized for a wide range of activities, such as staking, gas charge payment, and even voting.

Since Ethereum is the most popular dApp platform and is home to some of the most popular Defi applications, Wrapped Luna can be useful there.

If you have an Ethereum wallet like MetaMask, you can lend, borrow, trade, or store WLUNA. The two assets could be required for numerous lucrative operations on Terra and Ethereum. In such situation, your best bet is to buy both Terra LUNA and Wrapped LUNA.

Wrapped Luna: What's It Good For?

Wrapped Luna lacks Terra Luna's practicality. No native Terra wallets, including Terra Station, will accept it for storage or staking, and it will not work within the Terra ecosystem. As a wrapped token

on the Ethereum blockchain, however, it also has a number of other uses. Those things are:

- In the thriving Ethereum Defi ecosystem, Defi tokens can be held, lent, and borrowed.
- As with other cryptocurrencies, WLUNA can be used as a means of exchanging value;
- WLUNA can be purchased and stored for a long time or exchanged for profit on exchanges like Coinbase.



[Download App for Android](#)

[Download App for iOS](#)

Is There Any Way To Get Wrapped LUNA to The Terra Station?

Wrapped LUNA tokens cannot be transferred straight from an external wallet to the official Terra LUNA wallet, Terra Station. This is because tokens created on other blockchains cannot be used in Terra Station.

Since Wrapped Luna is an Ethereum-based ERC token, the Terra bridge must be used to transform it into the original LUNA tokens. Applications and trading platforms are available that, like the decentralized Terra bridge, facilitate the exchange of ERC-based WLUNA for Terra Luna.

Conclusion

Unfortunately, Terra Luna cannot be used with any of the many Ethereum-based applications that are currently available. For this reason, we have the Wrapped Luna. Even though Terra Luna and Wrapped Luna are very distinct, this article has shown that they can be used together to their full potential.