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LUNA Classic (LUNC) v.s LUNA 2.0: Which Should You Purchase?

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<https://www.btcc.com/en-US/academy/research-analysis/luna-classic-lunc-v-s-luna-2-0-which-should-you-purchase>

Roughly a month has passed since the demise of [LUNA](#) and [UST](#). There have been major shifts in strategy, including a proposed fork to keep LUNA operational. The latter produced [LUNA 2.0](#) and [LUNA Classic](#).

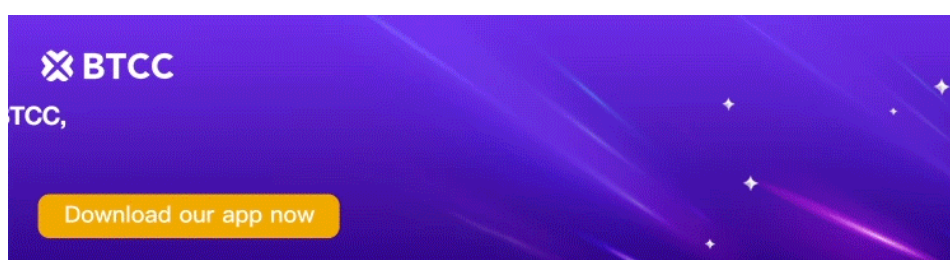
Many of those who lost a substantial amount of money in the LUNA disaster have now distanced themselves from the venture. But there are those who seek vengeance and others who seek profit as LUNA emerges from the ashes. For better or worse, knowing the differences between LUNA 2.0 and LUNA Classic is crucial.

LUNA Classic (LUNC) v.s LUNA 2.0

In order to preserve the network, the Terra fork was implemented. The fork assured that the original LUNA, now called LUNA Classic or LUNC. Because of the massive minting done to keep the UST pegged, the LUNA's supply has ballooned to almost 6.5 trillion coins. As a corollary, it led to the development of LUNA 2.0, which has a supply of 210 million LUNA, significantly less than the original.

Unfortunately, a mint-and-burn stablecoin is not part of the LUNA 2.0 ecosystem. On the other hand, as part of the efforts to stop future attacks, a proposition known as Prop 29 was voted to restrict the capabilities of the Anchor protocol.

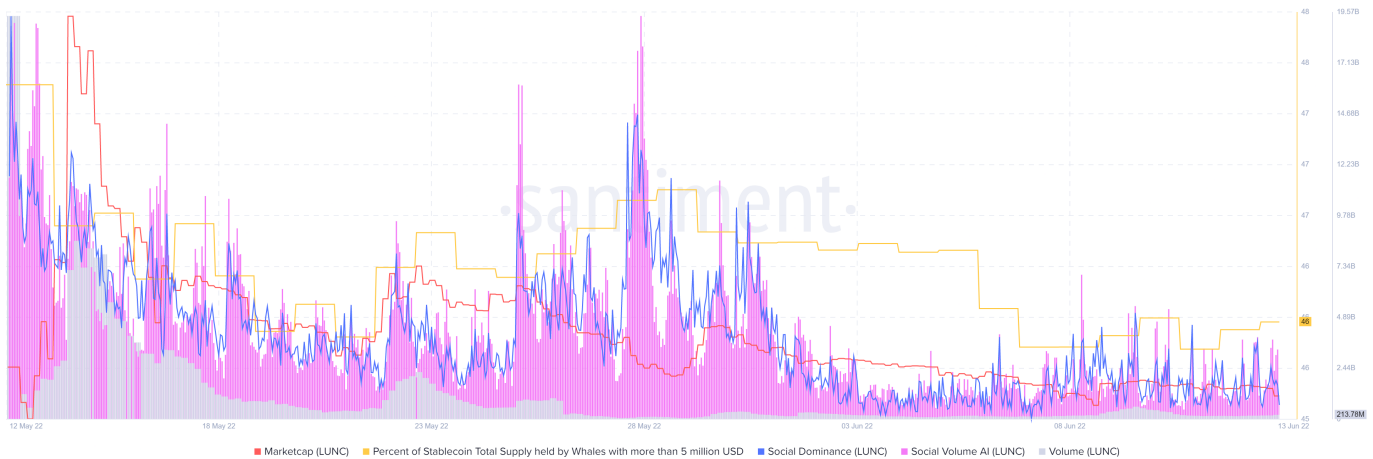
The larger trade volume and lower supply make it appear as though LUNA 2.0 is more widely used than its predecessor. Trading volumes during the last 24 hours totaled \$398 million, compared to \$193.7 million for LUNC.



Will LUNC's Wild Card Provide an Advantage?

LUNA 2.0 has so far sunk by more than 80 percent ever since it was launched. On the other hand, LUNC's drop in May gave an opportunity to buy at exceptionally low prices. The only drawback was the extremely inflated supply made a rapid recovery almost unlikely. The community of LUNC, however, recently supported a proposal called PROP 3568 that legalized the destruction of 653 billion LUNC, so that's a wild card.

On-chain measures also seem to be in favor of LUNC's bullish price action. On June 7th, for example, the percentage of its supply held by whales fell to 46.28 percent, the lowest monthly level on record. However, it has now climbed to 46.55 percent. This shows that whales are accumulating to take advantage of the supply burn.



The social volume and social dominance of LUNC have also spiked significantly this week. The increased activity behind the cryptocurrency, such as recovery-focused plans, is a major factor in this. The percentage of LUNA 2.0's total supply held by whales has increased from 46.33 percent on June 7 to 46.55 percent as of this writing.

Conclusion

Even after the burn, there would be a colossal amount of LUNC in circulation. There shouldn't be much of a price hike. It is highly unlikely that there will be another bank run on LUNA 2.0 because of the removal of the mint and burn mechanism. The greatest disadvantage, though, for both cryptocurrencies is that it will be challenging to entirely recover investor confidence.