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TerraUSD(UST) Price Forecast: Can USTC Recover Despite No Longer Being a Stablecoin?

Original:

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The [TerraUSD cryptocurrency](#) has undergone a “makeover” since its de-peg from the US dollar. When the coin was renamed [TerraClassicUSD \(USTC\)](#) in July 2022, the price was ranging between \$0.03 and \$0.06.

Since [Terra Lana](#)’s collapse, which resulted in the loss of almost 90% of investors’ money, the coin’s popularity among investors has remained low. Are there any additional elements that influence the TerraUSD forecast?

Terra USD. Explained

There are a variety of decentralized applications (dApps) and developer tools hosted by TerraUSD (USTC; formerly UST), an open-source [blockchain](#).

First, TerraUSD was a 1:1 peg with the US dollar using algorithmic stablecoins (ASTs), a type of cryptocurrency that tries to maintain its 1:1 peg with its reserve currency using algorithms.

Do Kwon, the founder of Terraform Labs, the software development business behind the invention of TerraLuna and TerraUSD, is also a co-founder of TerraUSD, which launched in September 2020 in conjunction with Bittrex Global.

As a result of Terra’s dual-token architecture, UST was created and stabilized using both the stablecoin and [LUNC](#) (formerly LUNA), the protocol’s original staking token. Additionally, LUNC was employed in mining and governance. Tokens of LUNC could be exchanged for UST coins, which were created by smelting UST tokens.

A “price-stable cryptocurrency that combines the advantages of both fiat and bitcoin” was stated in the UST whitepaper. As a result, UST should ideally be valued at \$1 at all times. However, the stablecoin fell or de-pegged on May 9th, 2022, after years of keeping its value against the US dollar.



In less than a week, the token lost more than 80% of its value and has never been able to recover. Another effect of LUNC’s de-peg was that it brought down other cryptocurrencies such as LUNA (previously known as LUNC) and Bitcoin (BTC).

Terra should be forked to focus on decentralised finance (DeFi) apps created on Terra's blockchain following the collapse of UST, according to Kwon. According to the plan, Terra's algorithmic stablecoin would be removed from a new layer-1 Terra network. In the meantime, Terra Luna (LUNA) has been renamed Terra Classic (LUNC), and Terra will be the name of the new blockchain (LUNA).

The proposal was approved on May 25, 2022. Terra began using a new blockchain two days later. TerraClassicUSD is the new name for the UST token, which was formerly known as UST (USTC).

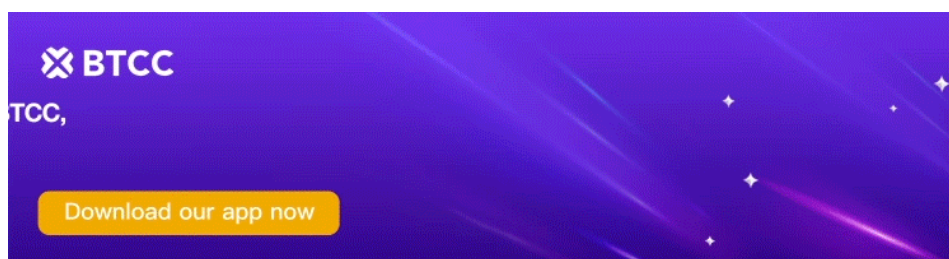
1/ Terra 2.0 is coming.

With overwhelming support, the Terra ecosystem has voted to pass Proposal 1623, calling for the genesis of a new blockchain and the preservation of our community.

— Terra  Powered by LUNA  (@terra_money) [May 25, 2022](#)

On the [Terra Classic](#) network, USTC is a decentralized stablecoin based on the US dollar. The new LUNA blockchain, which was created as a result of the cryptocurrency fork, does not support stablecoins. Instead, Terra's stablecoins are maintained by LUNC, whose goal is to ensure their stability.

On 14 July, CoinMarketCap reported that the total quantity of USTC tokens exceeded 10 billion, with 9.828 billion tokens currently in circulation. The USTC cryptocurrency has a market value of about \$337.9 million and is currently ranked 87th in terms of market capitalization.



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After the TerraUSD's Demise

A collapse in the value of TerraUSD on 9 May 2022 resulted in an 84.5 percent drop in the value of UST, which was pegged to the US dollar.

When Terra revealed that its community had voted in favor of forking the blockchain, UST experienced its first minor gains on 25 May, rising to \$0.09463 from \$0.05648 lows just four days earlier, gaining 67.5 percent of its value.

This also meant that UST was dissolved on May 25th. Replacement for UST but no longer [stablecoin](#).

Since its high of \$0.9964 on May 8th, the token's value has continued to fall and by June 8th had fallen to just \$0.009796, a 99 percent drop.

Many dApps had returned and were “up and running” on the platform at the time of Terra 2.0’s debut and one-week anniversary celebrations. Investors, on the other hand, were less optimistic about the cryptocurrency, as its price remained in the \$0.06-\$0.09 range.

USTC’s unfavorable price in June may have been exacerbated by the platform’s problems with “misinformation,” according to Kwon.

1/ While most of our efforts had been spent on Terra 2.0 and making sure ecosystem developers can find a home after the depeg incident, we will soon be more proactive in communicating with the press & getting the right information out there.

— Do Kwon 🐙 (@stablekwon) [June 9, 2022](#)

In mid-June, Kwon was accused of cashing out \$2.7 billion in the months leading up to UST’s bankruptcy, but the entrepreneur vigorously disputed all accusations.

A tweet from Kwon stated, “This should be evident, but the claim that I took out \$2.7bn from anything is totally incorrect.”

If you’re not familiar with it, Terra Form Labs (TFL) has paid me a small income for the past two years, and I’ve held off on a large portion of my founder’ll tokens because I either did not want to generate unneeded finger-pointing of “he has too much” or I didn’t need it.

To avoid coming across as a victim, he said, “I lost most of what I had in the crash. I hope that’s apparent.”

Following the announcement that SafePal Software and Hardware Wallet would begin supporting Terra 2.0 and LUNA tokens, the token surged to \$0.0811 on June 29, 2022.

Terra 2.0’s non-fungible token (NFT) infrastructure, Soil Protocol, announced its launch on July 6, 2022. The platform enables the creation of NFT projects without the need for smart contract coding in the background. On July 14, USTC dropped to \$0.03443 from its previous high of \$0.0811.

The Price of TerraUSD is Expected to Rise Between 2022 and 2030

WalletInvestor, an [algorithm-based](#) forecasting tool, predicted a higher TerraUSD price despite recent unfavorable market behavior.

According to USTC’s status as of July 14th, it’s a “great investment.” Predicted USTC prices for 2023 and 2027 show that the token will rise from \$0.376 to \$1.671.

There was some support for DigitalCoinPrice’s favorable TerraUSD price projection, although they predicted a significantly slower growth rate in the future. By the end of 2022, the TerraUSD price forecast predicted that the coin will average out at \$0.0515.

To break beyond the \$0.10 barrier in 2028, TerraUSD, according to the website's price projection, might reach \$0.0729 by then, with an annual average of \$0.12 in 2028. Its long-term TerraUSD price forecast for 2030 predicted that the coin would average out at \$0.19 in the year.

Be aware that pricing projections can be inaccurate. If you're going to rely on forecasts, do your own homework first. Make sure to do your own research wherever possible. Don't trade or invest cash you can't live without.