

DeFi Superstar #2: The NASDAQ of DeFi

Chris Coney, Editor

Our goal is to bring you the hottest and most promising coins in crypto's hottest sector. And right now, that sector continues to be decentralized finance (DeFi).

This month, the total value of assets pledged to various DeFi platforms stands at \$42 billion.

And we are talking about the largest competitor to the traditional banking and financial sector that started its life just 2-3 years ago So, we are at the beginning.

But if you think that's rapid growth, you ain't seen nothing yet! **You see, what truly allowed the DeFi revolution to take off was the launch of decentralized exchanges (DEXs).**

Why are DEXs so hot? Because they let you trade crypto and other assets with no broker, banker, centralized market-maker or custodian standing in the middle.

Simply stated, decentralized exchanges are cryptocurrency exchanges that enable peer-to-peer cryptocurrency transactions, without the need for an intermediary.

This makes trading a lot faster and less expensive than your regular stockbroker or banker — right off the bat. On top of that, imagine:

- Trading at any hour — weekends and holidays included.
- Opening an “account” regardless of who you are. DEXs welcome everyone — not just high-net-worth investors.
- Getting in or buying with no minimums nor maximums.
- Trading without fear that someone or something might someday close or freeze your DEX account.
- Knowing that, unlike what happened recently with Robinhood and **GameStop Corp. (NYSE: GME)**, nobody can force a trading halt just because some big-foot hedge fund foolishly gets caught in a short squeeze or is hemorrhaging red ink.

Measure this extraordinary collection of benefits against the experience most investors have had trading shares, options, futures or currencies via traditional brokers or banks.

If you do, you'll easily see how ripe the traditional system is for radical change.

Or, if it doesn't adapt, how vulnerable some of its dinosaurs could be to extinction.

In many cases, DEXes are positively going to eat their lunch.

However, older decentralized exchanges were slow and had no liquidity pools, hence they failed to inspire a lot of confidence in users.

But our first DeFi Superstar decentralized exchanges by making it possible for anybody — no matter how small their investment — to provide liquidity to the exchange and bag a fraction of the profits, too.

They have pioneered a pooled liquidity, hence they quickly grew to become the top decentralized exchange in the industry. Now it features tens of thousands of trading pairs, with the best liquidity, industry-wide, for each of these pairs.

That's the reason we call it the NASDAQ of DeFi.

We believe we could potentially see a further sixfold increase in price from its current levels.

The best measure of how popular a DEX is the total value of assets locked up inside it, called total value locked (TVL).

This particular DEX went from a TVL of \$26 million 3 years ago to a thundering [\\$3.49 billion](#) today.

That's works out to an astounding 13,323% increase — faster even than the meteoric growth of DeFi itself!

With daily trading volume in excess of \$700 million, it presently boasts a market cap of \$4.22 billion, which makes it the world's 19th-largest crypto.

Now, you can take the next step: Becoming a Uniswap INVESTOR by buying its token, UNI.

The Breakthrough Uniswap Pioneered

Few folks know it, but before Uniswap came along, DEXs struggled to attract sufficient liquidity to support their order books.

Because of this, trading was often slow and discouragingly expensive — not much better than traditional banks and brokers.

All that changed when Uniswap developers launched their automated market maker (AMM), a suite of smart contracts that democratized market making.

No longer would market making be the sole preserve of big, deep-pocketed institutions. Instead, AMM created liquidity pools anyone could participate in — with virtually any amount of money.

This opened the door to legions of little guys — to contribute however much capital they felt they could afford — without any intrusive, guilty-until-proven-innocent KYC procedures.

In return, they got a cut of the transaction fees generated by traders on the platform. This innovation was (and remains) key to Uniswap's juggernaut growth.

Two Developments That Make THIS a Good Time to Buy UNI

Now, two things have happened.

First, Uniswap has started running on more chains.

Like most DeFi distributed applications (dApps), Uniswap originally ran on the Ethereum blockchain.

But surging DeFi-related demand for transactions can overload the Ethereum network. So, processing often slows down, sending transaction fees through the roof.

Imagine Ethereum as a crowded highway and Uniswap as a bus traveling on it.

The good news is that Uniswap now includes scaling solutions that effectively makes each Uniswap bus a bigger, faster vehicle. This increased throughput makes Uniswap transactions faster and cheaper — even with no improvement in Ethereum itself.

Uniswap has just launched an NFT aggregator on the same platform where users already trade tokens. This aggregator sources NFT listings from various marketplaces and brings the best prices to buyers. The advanced routing mechanism also lowers the transactions costs up to 15%. So, in addition to being a blue chip for fungible tokens, UNI is now set to become a blue chip platform for trading of non-fungible tokens!

Additionally, UNI token holders could be able to earn passive income in the future. At the moment, UNI is solely a governance token. In other words, it can be used to vote on upgrades but earns no yields for holders. But, as we are seeing now, token holders are testing the waters by making governance proposals about fee revenue share. Uniswap is very profitable platform that earns around \$1 million in fees per day and all that money is distributed to liquidity providers. However, token holders can vote that part of that money goes to them. If this happens, it will be bullish for the price of the token. So it is better to jump in earlier than later.

All of these coming together at about the same time are clearly bullish for Uniswap ... and the price of UNI.

How High Could UNI Go?

With NFT aggregator launched and everything else which is in the pipeline, Uniswap will easily be able to challenge even well-established crypto exchange giants like **Coinbase Global Inc. (Nasdaq: COIN)** for market share.

Coinbase also makes an interesting measuring stick because it recently went public. Now, it has a market cap of about \$9.66 billion.

Uniswap will easily grow its \$4.22 billion market cap to \$9.66 billion, a reasonable expectation given its unmatched utility and track record for explosive growth.

In that case, the UNI you can buy today for about \$6.20 could be worth more than double in the near future. So imagine what it can do a few years down the line!

Where? You can buy UNI on any major exchange, such as Kraken.

As always, though, knowing what to buy is only part of any investing strategy. Knowing when to buy is just as important.

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