DAI (Decentralized Currency)

What is DAI (Decentralized Currency/Stablecoin):

- DAI is a decentralized Stablecoin compared to many of the other stablecoins we use to navigate through the Crypto Market. More specifically it's a stablecoin on the Ethereum blockchain that's kept as close as possible to the US Dollar through decentralized participants incentivized by smart contracts to perform its maintenance and governance functions as well as possible.

What is DAI backed by/pegged to?

- DAI just like other stablecoins is pegged to something representing a currency, which in this case is the $MKR token held by the Maker (MKR) Protocol, which is a decentralized autonomous organisation 'MakerDAO' also known as DAO. What that is, is a collection of smart contracts on the Ethereum blockchain that maintains the multi and over collateralized DAI stablecoin.

Why you should hold DAI:

- Lowers the volatility in your portfolio due to it being stable and saving your investments from massive price changes.
- Due to it being decentralized it makes it more stable than other stablecoins, considering that MakerDAO doesn't have any major problems and stays Capital Efficient, compared to other stablecoins such as USDT and especially USDC, which have been proven to be insufficient in the past.