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TerraUSD (UST) price prediction: USTC is no longer a stablecoin but can it back up?

TerraUSD (UST) price prediction 2022, 2025, 2030: TerraClassicUSD (USTC) is no longer a stablecoin but can it bound back?

TerraUSD (UST) cryptocurrency has gone through a “makeover” since its [de-peg](#) from the US dollar. Now known as TerraClassicUSD (USTC) and no longer a [stablecoin](#), the coin is struggling to rebound, fluctuating between the \$0.03 and \$0.06 in July 2022.

Investor sentiment towards the token remains low, as concerns about its credibility prevailed after [the collapse of Terra Luna](#), which caused some investors to lose more than 90% of their money. What do the experts have to say and what other factors have influenced TerraUSD’s price predictions?

TerraUSD(UST) and TerraClassicUSD (USTC) explained

TerraUSD (UST) is an open-source blockchain that hosts a number of decentralised applications ([dApps](#)) and developer tools within its ecosystem.

Originally, TerraUSD was an [algorithmic stablecoin](#), a cryptocurrency that aims to maintain a 1:1 peg with the reserve currency they back - in UST’s case, the US dollar - through algorithms.

TerraUSD launched in September 2020 in partnership with Bittrex Global and was co-founded by Do Kwon, who is also the founder of Terraform Labs, a software development company behind the creation of the TerraLuna and TerraUSD sister coins.

Terra had a dual-token system that used the stablecoin and LUNC (previously LUNA), the protocol's native [staking](#) token, to create and stabilise UST. LUNC was also used for governance and in [mining](#). UST coins were minted by burning LUNC tokens and could also be swapped for LUNC.

According to its whitepaper, UST was meant to have the features of a "price stable cryptocurrency that combines the benefits of both fiat and bitcoin". This meant that, ideally, UST had to be worth \$1 at all times. However, on 9 May 2022 after several years of holding its value against the US dollar, the stablecoin collapsed, or de-pegged.

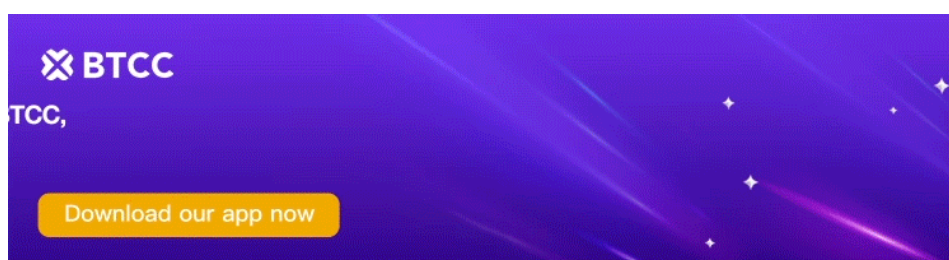
The token ended up losing over 80% of its value in less than a week and has never managed to recover from the massive drop. In addition, the cryptocurrency's de-peg had a whirlpool effect on the cryptocurrency market, dragging down other cryptocurrencies including LUNC (previously LUNA) and BTC.

Following UST's crash, Kwon proposed forking Terra to a [new chain](#) that would entirely cut out UST and focus on decentralised finance ([DeFi](#)) applications built on the Terra blockchain. The proposal saw the creation of a new layer-1 Terra blockchain without its algorithmic stablecoin. Meanwhile the old blockchain was renamed from [Terra Luna \(LUNA\)](#) to Terra Classic (LUNC) and the new blockchain would be called Terra (LUNA).

On 25 May 2022, the proposal was passed. Two days later Terra started to operate from a new blockchain. The UST token was rebranded and is currently known as TerraClassicUSD (USTC).

USTC is a decentralised stablecoin pegged to the US dollar and built on the Terra Classic blockchain. Stablecoins aren't supported on the new LUNA blockchain launched after the cryptocurrency fork. Instead, USTC is supported by LUNC, whose purpose is to maintain the stability of Terra's stablecoins.

The total supply of USTC tokens exceeds 10bn, with over 9.828bn tokens currently in circulation, according to data provided by CoinMarketCap, as of 14 July. The USTC cryptocurrency currently has a market capitalisation of over \$337.9m and is ranked 87th biggest token.



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The aftermath of the UST crash

UST lost its peg to the US dollar on 9 May 2022 when the token dipped by 84.5% falling from past \$0.9 highs on 8 May to \$0.154 by 13 May.

On 25 May, UST saw its first tiny gains when Terra announced that its community voted to pass the proposal for the forking of the blockchain, gaining around 67.5% of its value and surging to \$0.09463 from \$0.05648 lows four days earlier.

This also meant that after 25 May, UST no longer existed. USTC replaced UST but was no longer a stablecoin.

However, a positive run did not last long as the token's value continued to decline and by 8 June had reached its lowest point of just \$0.009796 - a 99% decline since its 8 May \$0.9964 high.

At the time, the blockchain was celebrating the launch of Terra 2.0 and its one-week anniversary, noting that many dApps had returned to the platform and were "up and running". However, investors were not as bullish on the cryptocurrency as its price continued to fluctuate between the \$0.06 and \$0.09 levels.

According to Kwon, the platform has also been struggling with a lot of "misinformation", which could have further contributed to USTC's bearish price in June.

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In mid-June, Kwon was accused of having cashed out \$2.7bn in the months leading up to UST's collapse, however, the entrepreneur denied all allegations.

"This should be obvious, but the claim that I cashed out \$2.7bn from anything is categorically false," Kwon said in a tweet.

"To reiterate, for the last two years the only thing I've earned is a nominal cash salary from TFL [Terra Form Labs], and deferred taking most of my founder's tokens because a) didn't need it and b) didn't want to cause unnecessary finger pointing of 'he has too much'.

"Hope that's clear - I didn't say much because I don't want to seem like playing victim, but I lost most of what I had in the crash too."

By 29 June 2022, the token had managed to surge to \$0.0811 following the announcement that SafePal Software and Hardware Wallet had started to support Terra 2.0 and LUNA tokens.

Some big news followed on 6 July 2022 when Soil Protocol, a non-fungible token ([NFT](#)) infrastructure built for Terra 2.0, announced its launch. The platform allows people to develop NFT projects without having to write smart contracts. Since reaching \$0.0811, USTC fell back to \$0.03443 on 14 July.

Analyst outlook on TerraClassicUSD (USTC)

"The collapse of UST gave a wake-up call for many," said Anndy Lian, chief digital advisor at Mongolian Productivity Organisation and the author of Blockchain Revolution 2030, told Capital.com.

"It has also helped many understand more about stablecoins and how they are designed to hold a steady value pegged to a fiat currency, and that not all stablecoins are stable by default."

According to Lian, cryptocurrencies are in dire need of a set of rules that will help and lobby crypto rules on a global level.

“It is important to impose strong regulations before it poses more severe financial risks as the market grows bigger over time. I must emphasise again, that the regulations must be made independently and catered to the fast-moving crypto environment, not copy existing rules to crypto.”

Raullen Chai, CEO and co-founder of IoTEX, noted that very few people are bullish on LUNA and USTC.

“Since people are already losing faith in LUNA and UST (and even all algorithmic stablecoins), it is unlikely that they will survive this bear market,” he told Capital.com.

Chai said he remains optimistic about other areas of cryptocurrency markets in the long run, including “store-of-value coins such as Bitcoin and Ethereum”, and “MachineFi that is about connecting the real world into the crypto world or Web3 to address real problems and provide users with real value”.

Lian added that because USTC is still listed on several tier-one exchanges such as Binance, FTX and Kucoin, it means there are people who are still hopeful that the cryptocurrency can make a comeback. However, he urged investors to pay more attention towards projects that are building on the Terra blockchain.

Chai warned that “all cryptocurrencies are vulnerable to crashes as are all stocks.”He added:

“In crypto, as in any other business, the strongest projects with real development and solving real-world problems will always have a better chance of surviving an extreme bear market. In crypto, bear markets have a positive side which is the flushing or purging of bad projects.”

A promotional banner for BTCC, a cryptocurrency futures exchange. The banner has a green background with a subtle grid pattern. At the top center is the BTCC logo, which consists of a white 'X' shape followed by the letters 'BTCC' in white. Below the logo, the text 'Level up your VIP status for more benefits' is written in a bold, yellow font. Underneath that, 'BTCC - Your preferred crypto futures exchange' is written in a smaller, white font. At the bottom left, there is a button that says 'Download our app now' in white text on a dark green background. To its right are two logos: the Apple App Store logo with the text 'Available on the App Store' and the Google Play logo with the text 'GET IT ON Google Play'. At the bottom right, there is another button that says 'Support fiat and crypto deposits' in white text on a dark green background. The banner is decorated with several floating gold and blue coins.

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TerraUSD price prediction for 2022-2030

Despite recent bearish price action, algorithm-based forecasting service WalletInvestor gave a bullish TerraUSD price prediction.

As of 14 July, the site called USTC is “an awesome investment”. According to the website’s future USTC price prediction, the token could reach \$0.376 in 2023 and jump to \$1.671 by 2027.

DigitalCoinPrice supported the positive TerraUSD price prediction, but projected a much slower pace of growth in the following years. Its TerraUSD price prediction for 2022 showed that the cryptocurrency could average at \$0.0515 by the end of the year.

The website’s TerraUSD price prediction for 2025 suggested that the coin could average at \$0.0729, surpassing the \$0.10 barrier by 2028, averaging at \$0.12 in that year. Its long-term TerraUSD price prediction for 2030 indicated that the cryptocurrency could average at \$0.19 during the year.

Please note that price forecasts can be wrong. Forecasts should not be used as a substitute for your own research. Always conduct your own due diligence.

Is TerraUSD a good investment and should you invest in?

Whether USTC is a good investment for you depends on your personal situation and risk appetite. Cryptocurrencies are high-risk assets. You should conduct your own research and assess the level of risk you are prepared to accept before investing. Never invest or trade more than you can afford to lose.

Read More:

[Terra LUNA 2.0 And LUNA Classic \(LUNC\): Get It All in One Guide](#)

[Ethereum Merge \(Ether 2.0\) Explained: Everything You Need to Know And Why It Matters](#)

[Ethereum Merge Upgrade: May Be ETH’s Chance to Outpace Bitcoin](#)

[Voyager: FTX Offers to Help Bankrupt Voyager Customers](#)