Let’s Start a RAI-OT

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Money God Disciple
What is RAI?

- Fork of MakerDAO DAI
- ETH-only collateral
- *Floating* peg
- Self-stabilizing via onchain PI controller
- “Ungovernance”
- The future of finance

until this shit is in textbooks as a historical turning point for theory of central banking we are still early
The Dark Age of Central Banking

Brazil Inflation

The Dark Age of Central Banking
The Dark Age of Central Banking

Figure 25: Size of National Monetary Council (CMN) and inflation

Sources: IPEADATA and Franco (2017).
The Dark Age of Central Banking

- USD is the best functioning currency on the planet
- But the cracks are beginning to show…
Speed running the central bank ponzi

**Source:** CoinDesk Research, TradingView as of May 11, 2022
So Why RAI?

- What if the humans are actually the main source of instability?
- What if our currency was honest?
- What if our currency wasn’t a ponzi?
- What if our money supply automatically expanded and contracted as needed?
- What if proper central banking has never been tried?
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Fork of MakerDAO DAI

- Collateralized Debt Positions
  - deposit ETH to mint RAI

- Minimum Collateral Ratio
  - 135%, liquidations on chain

- Oracle Security Module
  - 1 hour time delay for ETH price update

- FLX governance token and backstop
  - similar to MKR, buyback & burn

- Additional features (Staking, Saviours)
ETH-only collateral

- RAI can ONLY be minted against ETH
- Eliminates counterparty risk
- RAI inherits ETH “moneyness”
- Growth Strategy: ETH go up
- Already 100% ungoverned
Floating peg
Self-stabilizing via onchain PI

RAI History: last 180 days

- market
- redemption

- p_rate apy
- i_rate apy
Self-stabilizing via onchain PI controller

- Total Rate = Proportional Rate + Integral Rate

- “Stability” for RAI means “balancing RAI supply and demand” and not “pegging to $1 USD”

- “Farm to table” yield
  - you know where the yield coming from
  - Negative Rates? RAI holders pay RAI borrowers
  - Positive Rates? RAI borrowers pay RAI holders

- The expected net value transfer between RAI borrowers and holders provides the incentive to balance supply & demand

- Money God always wins
Ungovernance

- Governance took over control of the system in Jul/2022
- Governance can only control select params
  - Oracles, Saviors
  - PI Controller params
  - Governance Updates
- Team multisig was fully removed
- Ungoverned components are ungoverned permanently
The future of finance

Central banks will be open source programs

The cost of operating a “central bank” will drop 1000x

These programs will run transparently & autonomously

Communities will manage their own credit facilities

Central Banks will... decentralize

You will all learn to like the floating pegs

Rai is R&D for humanity
RAI needs you!
Calls to action

- ETH lords - join us!
- Deposit ETH, borrow RAI:
  - Spend the RAI, pay back later
  - Long ETH/RAI -> collect the rate
  - Short RAI using DAI -> collect the rate
  - Yield farm with the RAI
- Join the RAI community on discord!
  - meme the dream
  - explainer content
  - monetary policy
  - control theory
  - enlist in our dev reserve force
  - bounties available!

With the 2%/yr stability fee, Vitalik's debt is now 402.87k RAI. zapper.fi/account/vitali...

The amount can now be bought with 1147.0k DAI in one shot.

So, 1221.3k - 1147.0k = 74.3k DAI (6.1% of the origin) is the current unrealized profit of the Vitalik's position.
Money God League

- Let’s turn our RAI-ot into a RAI-volution
- We envision 1000+ RAI-like systems
- MakerDAO - Nikolai’s Vision
- H2O, TAI
- Maybe you!

mintnburn  Today at 12:45 PM
what is meant by negative target rate?

Rune  Today at 12:45 PM
means slowly depegging from 1 USD, like rai
CORE DEVS DONT CARE ABOUT US
Thank you!

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