



## Stratosphere DeFi: A Deflationary Reflection Token

### Abstract

Stratosphere DeFi aims to solve the problems of prior cryptocurrencies including mining rewards, farming rewards, and liquidity provisioning. Mining equipment can be both costly and harmful to the environment, but mining remains of interest due to the opportunities afforded by it. As an easy alternative to mining rewards, we propose allowing users to participate in a smart contract token reflection to produce tokens inside their own wallet. Another challenge remains to facilitate and maintain liquidity on decentralized exchanges.

By nature, decentralized exchanges require liquidity for user participation, thus the responsibility is on the developers to provide it. Historically, developers created incentives aimed at users to provide liquidity which can be outweighed by risk due to the subjectivity of impermanent loss. As a solution, we propose utilizing a smart contract function to automatically capture liquidity to be used on the decentralized exchanges and held in custody independent from user possession.

Additionally, a smart contract that provides the capability to burn tokens can promote scarcity by reducing the total supply. Together, the combination of these tokenomics may afford far superior benefits for the community within the decentralized venue. Allowing these functions to be amplified and dependent on volume provides an ideal incentive to expedite adoption and foster new use cases.

### 1. Introduction

Decentralized finance is made possible by using decentralized exchanges in collaboration with liquidity pool smart contracts. For any token on the smart chain to have an availability to be swapped on a decentralized exchange, it must have an available liquidity pool of tokens for swapping. The challenge remains on how to properly incentivize users to keep such liquidity pools maintained.

Recognizing this, developers have attempted to satisfy these conditions by using various tokenomic structures with incentives for the user to supply liquidity into the pools. An automatic liquidity acquisition can be featured as an alternative solution compared against the traditional “farming reward” structure. An automatic liquidity acquisition function where users are offered rewards (via reflection) in lieu of traditional farming rewards. These reflections would act to distribute tokens proportional to volume and could thus provide a more reasonable incentive for holding. Although reflection and automatic liquidity acquisition may contribute to stability, an inherent burn which can achieve token scarcity with a depreciating token supply.

The combination of these tokenomics seeks to eliminate the flaws of various predecessors, while providing useful incentives for use case and adoption. Effectively, any application that is added with these smart contract functions could have the effect of amplifying Stratosphere DeFi tokenomics.



## 2. Automated Liquidity Acquisition

The team understands that liquidity is crucial in any trading environment. By definition, decentralized liquidity is simply the accessibility of tokens operated and controlled by a smart contract--hosted by a decentralized exchange. Historically, market makers have been used to provide a service for buyers and sellers on traditional order book exchanges for a better user experience. The main function of these market maker services was to fill buy and sell orders promptly and reduce overall market volatility caused by large orders.

However, traditional order books have long been outdated by newer technology, and have been replaced by liquidity pools in a decentralized venue. Just as market makers are compensated for providing a service in the order book environment, proper incentives for adding liquidity are a key factor in any decentralized environment. Problems arise when the liquidity pool provider loses the incentive to add tokens into the pool, which occurs after the token pair is subjected to impermanent loss resulting from arbitrage.

As a solution, Liquidity can be taken as a function of the smart contract using market activity from all swaps and transfers. A portion of these swaps and transfers will be captured by the smart contract and utilized with the function: “*swap*”.

## 3. Token Reflection

Traditional mining is both costly and inconvenient for the user. Frictionless, static reflection rewards accrue by simply holding your tokens and features an innovative hold-farming reward structure combined with options to stake and earn the reward token Afterburner.

The Stratosphere DeFi team will be utilizing a 15% tax on buys/sells and transfer. This will be broken down as such:

13% Claimable Reward – This portion will be sent to users that are holding the Stratosphere token. The amount you get in rewards will be based on the total percentage of the supply a wallet holds. This will exclude exchanges, burn address and liquidity. The holder will be able to claim their rewards via the website and choose which tokens they wish to receive. To start this will be BNB, USDT, BUSD, and SOKU as a default and an additional option is available to Add New BSC token of choice. A holder can add as many BSC tokens they prefer, and those new tokens will be available to them each time they return.

\*\*\*\*\* The way this is calculated is:  $((\text{Volume} \times 13\%) \times (\text{holders number of tokens})) / \text{total supply}$  \*\*\*\*\*

1% Automatic Reflection – This will be a reflection of Stratosphere DeFi tokens to the holders wallet



\*\*\*\*\* The way this is calculated is:  $((\text{Volume} \times 1\%) \times (\text{holders number of tokens})) / \text{total supply}$  \*\*\*\*\*

1% Liquidity -- This will be instantly converted to liquidity with each buy and sell via the “swap” function (half sold to BNB paired with Strat token and deposited to PCS liquidity) deposited to liquidity wallet and is removed and locked on Unicrypt.

#### 4. Depreciating Supply & Burn Address

In a decentralized smart chain environment, contract functions can be utilized to achieve token scarcity. To do this, we propose also distributing rewards to the burn address, which is publicly verifiable for all participants to see. This burn will be manually from the growth fund wallet.

#### 5. Wallets

**Growth Fund/Marketing Wallet** – 0x657d2916D3515dB88E7a6A68d0EB4810BfA47E47

This wallet address will not be excluded from reflections or rewards. This wallet will still pay taxes on buys/sells/transfers. This wallet will start at **150 million** tokens and acquire funds through merchandise sales, nft sales, and rewards that it can claim.

The funds in the growth fund will be placed in stable asset farms or liquidity farms to yield income for a manual buy back and burn of the Stratosphere DeFi tokens.

**Burn Wallet** – 0x00dead

This wallet is where the burn tokens will be placed and is exempt from reflections and rewards and is not accessible by anyone.

**Deployer Wallet** – 0xC1fc87644CB959f11E6B19e98acd01de42Af8930

Starting with 15,000,000 tokens, this wallet is the owner of the contract and hold the initial tokens. This is blacklisted from taxes, so it can send tokens to exchanges. However, it will still get reflections and rewards which will also go towards the growth fund.

**Holder's Wallet Features** – No max wallets, 1% max sell per transaction, switching between wallets will cause a tax to be applied, depositing into a liquidity pool will cause a tax to be applied and withdrawing from a liquidity pool will also have a tax applied. No taxes applied to a single staking contract.

**Afterburner** wont give stratosphere till you have 50 tokens

**Black Hole** – 0xB29F0bAa9F750FABd678Acc6E0Cc5E762ae329fB



The Black Hole is excluded from fees and rewards. The Black Hole event will take place every Friday starting at 2:00p.m. Eastern Standard Time during an AMA. There is a min buy-in to the Black Hole entry for stratosphere token anytime within the week prior to the Friday event and can be deposited directly to the wallet using the Stratosphere website. The giveaway to the lucky winner will be 75% of the entire Black Hole balance for that week. The remaining 25% will be split as follows:

5% placed into company treasury used for company farming to allow earnings to be used for any number of costs, events or fees.

10% of the balance will be burned.

10% to be sent to the deployer wallet to be sold tax free. After Black Hole event deployer will sell tokens for two days and use for farming stable assets. 50% stable asset earnings shall be compounded and 50% goes to Black Hole for give away for the following event.

Ensure to check website for additional information:

<https://www.stratospheredefi.com/blackhole-friday>



# Stratosphere

