

**From:** William DiSomma (bdisomma, WUCS6SKQV) [wdisomma@jumptrading.com]  
**Sent:** 5/24/2021 10:16:30 AM  
**To:** David Heatley (dheatley, WU1BWLD9) [dheatley@jumptrading.com]; Dave Olsen (dolsen, WU02GJSM8) [dolsen@jumptrading.com]; Matt Schrecengost (mschrecengost, WU2N5TZ6D) [mschrecengost@jumptrading.com]; Paul Gurinas (pgurinas, WUCRNGEHW) [pgurinas@jumptrading.com]; William DiSomma (bdisomma, WUCS6SKQV) [wdisomma@jumptrading.com]  
**Subject:** Slack: mpdm-bdisomma--dheatley--dolsen--pgurinas--mschrecengost-1, 5 Users, 8 Minutes

## MESSAGE CONTENT

(2021-05-24 03:07:42 PM UTC2021-05-24 15:07:42 UTC) **William DiSomma**

Background Terra's stablecoin (UST) *should* trade at 1:1 relative to USD, USDT, USDC, etc, and we try to keep it pegged there by making markets in a synthetic (TI internal) USTUSDT market. The other legs of the triangle are LUNAUST on the TERRA blockchain and LUNAUSDT on the public venues (BIN, HUO, etc). If the TI internal model (currently MM\_USTUSDT\_INTERNAL\_3, 17457) is hit on the bid by other models (gets long USTUSDT), it will complete the triangle by burning UST in exchange for LUNA via the Terra on-chain AMM and selling LUNAUSDT on the public venue(s). Conversely, if our internal market maker is lifted, we will "mint" UST by burning LUNAUST on the Terra on-chain AMM and buying LUNAUSDT on the public(s). USTUSDT is listed publicly on KUCN, so we will often trade against directional flows. There seems to have been strong negative pressure on UST since 05/19, when the broader market sold off and bounced slightly (LUNA has come under a lot of pressure), which results in UST getting burned (and downward pressure on LUNA via the publics) We only have one TI internal market maker because only one block is created every six seconds so we only want to have one inflight order to the Terra gateway globally at a time (rather than multiple strategies minting / burning on their own). Broader market watching wrt stable coins: <https://twitter.com/CurveSwaps>

Service Name: twitter.com  
Title: Curve Whale Watching (@CurveSwaps) | Twitter  
Title Link: <https://twitter.com/CurveSwaps>  
Main text: The latest Tweets from Curve Whale Watching (@CurveSwaps). Let's go whale watching on @curvefinance  
Showing swaps from \$200k and up  
Summary: Curve Whale Watching (@CurveSwaps) | Twitter  
From URL: <https://twitter.com/CurveSwaps>

(2021-05-24 03:08:16 PM UTC2021-05-24 15:08:16 UTC) **William DiSomma**

### 2021-05-23 issues

1. LUNA (and all alt coins) were under massive selling pressure, LUNA down 40% - fear of a run on the bank given that UST is "backed" by LUNA and LUNA market cap dipped below UST market cap (at least based on coingecko underreported statistics). If there was burning of UST on chain with LUNA price depressed it might still stay close to 1, but would mint excessive LUNA (dilute existing holders).
2. Needed to support UST directly on Kucoin (spun up a book stacker to sell KUCN.USDTUST, potentially 50 MM)
3. DDOS attack on the Terra on chain facility

(2021-05-24 03:09:54 PM UTC2021-05-24 15:09:54 UTC) **Dave Olsen**

Looks like we didn't take much of a directional LUNA position since yesterday pm...am I reading that right?

(2021-05-24 03:13:10 PM UTC2021-05-24 15:13:10 UTC) **William DiSomma**

**PLAINTIFF'S  
EXHIBIT  
P068  
23-cv-1346 (JSR)**

we were able to sell over a mil LUNA above 6.5 in rally today which put us flat on the day. We also bought 1.4 mil yesterday and more in previous days but the gun is partially reloaded.

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(2021-05-24 03:14:23 PM UTC2021-05-24 15:14:23 UTC) **Dave Olsen**

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Yep...seems like the prop to Do was well timed. Lots of wood to chop still, but feels like a good start. That how you're seeing it?

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(2021-05-24 03:16:14 PM UTC2021-05-24 15:16:14 UTC) **William DiSomma**

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We bracing for another sell storm. It's a good start.

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(2021-05-24 03:16:30 PM UTC2021-05-24 15:16:30 UTC) **David Heatley**

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did we get him to vest us?

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