

The Merge Could Adversely Affect Defi Protocols and Stablecoins, According to Dappradar Expert.

According to a new report by DappRadar, Ethereum's upcoming Merge could significantly impact the way DeFi protocols operate atop crypto's most popular decentralized finance chain. The study focuses on possible delays as Ethereum transitions to a proof-of-stake consensus mechanism. According to the report, the expected (and often delayed) upgrade could slow transaction times or create service disruptions on DeFi lending protocols, causing headaches for the platforms. This could reduce the value of stablecoin and shrink Defi lending pools. DappRadar data analyst Pedro Herrera says even if the transition goes off without a hitch, the Merge's negative impact on supply to the Ethereum market could hurt DeFi's liquidity pool. Herrera added that if the merge does not go well, it would cause delays in DeFi protocols and affect stablecoins. Ethereum's transition to a proof-of-stake consensus is expected to slow the rate of new token issuance, especially in the months immediately following the switch. Disclaimer The information on this website is provided for

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