

15.06.2022 – 13:17 Uhr

Kudona: Modern saving – how can interest still be earned today?

Vilnius / Hamburg (ots) -

For some time now, savers in Europe have had a common adversary: the base rate policy of the ECB. When interest rates are low – and at the moment it's at zero percent – the banks borrow a lot of money. This leads to more money being in circulation overall – and causes a high inflation rate. This gnaws away at the purchasing power of private citizens and companies and makes obsolete the traditional savings options.

The question for investors is therefore: how can one invest one's money profitably or at least absorb part of the capital loss, despite these circumstances? There have certainly been better days for saving with stocks, funds and ETFs. Global political uncertainty and consecutive crises have led to sinking stock prices and returns.

The answer is therefore: "decentralised finance" (DeFi). The decentralised financial sector possesses the potential to revolutionise the classic banking sector. Unlike conventional financial markets, transactions occur in real time, and thanks to the blockchain, each event is transparently documented forever. This leads to lower transaction costs and higher returns for investors.

Alongside investments in sometimes strongly fluctuating crypto-currencies, investors can earn high rates of interest by changing their money into stablecoins and then passing these on to DeFi platforms in the form of loans in order to receive interest for them. The value of each of these stablecoins is pegged to a classic currency and thus fundamentally safe from fluctuation. DeFi interest rates could therefore be the last attractive bastion for savers.

About the author: Fabian Scholz is the CEO of Kudona, a DeFi fintech company that has developed an electronic "savings book" with which private and corporate customers can earn higher call money interest.

Contact:

BrunoMedia GmbH
E-mail: loeffler@brunomedia.de
Phone: 06131 9302832

Original content of: Kudona UAB, transmitted by news aktuell
Diese Meldung kann unter <https://www.presseportal.de/en/pm/163379/5249229> abgerufen werden.