Tether falling again, why is this stablecoin losing value versus the US dollar?



Tether {USDT}

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Tether is a cryptocurrency with tokens issued by Tether Limited, which claims that each token issued is backed by one US dollar, though they may not necessarily be redeemed through the Tether platform. Tether is called a stablecoin because it is designed to always be worth $1.00.

When Tether came into being, they claimed they held sufficient US dollars in their bank account for each $1 Tether token issued, a claim that has it’s sceptics, and the number of doubters has grown recently, as the company have not been able to assuage the doubts voiced ever more strongly as time goes by and no proof of funds in place is given.

The roles were reversed in the crypto market on Sunday, as supposed stablecoin Tether (USDT) lost 3.8% of its value, falling from $1 to the $0.96 range. Much like in October when Tether’s fall caused a huge Bitcoin spike, today’s fall by USDT coincides with a generous pump to the altcoin market.

The value of Tether (USDT) fell 3.8% from $1 down to $0.961930 over twelve hours on Sunday morning. This latest fall comes only a day or so after Tether regained its dollar peg following last month’s drop.

No catalyst has been suggested for the sudden fall of Tether, however it coincides with the sudden un-Tethering of Bitcoin Cash following its surge this weekend. The drop also comes after Tether announced it has opened new banking ties with a bank in the Bahamas.