

# YEM FOUNDATION

## The Value of YEM

10/12/21

To understand the value of YEM, one needs to understand how the value of any currency is determined. Money is the lifeblood of economies around the world. Most people think that 'money' only refers to paper money or coins that are in circulation. Indeed, most money today exists as credit money or as electronic records stored in databases in banks or financial institutions.

While early currency derived its value from the content of precious metal inside of it, today's fiat money is backed entirely by social agreement and faith in the issuer. It provides a universal store of value that can be readily used by other members of society.

Most importantly, money is the unit of account. In the U.S. that is the dollar. Once there is a unit of account, people can indeed exchange on credit without the use of physical money. In our YEM economy, this unit of account is the YEM. The more individuals and businesses participate in the YEM economy, the stronger the YEM is.

Talking about the value of YEM, it is communicated by comparing it with the U.S. Dollar. As of today, 1 YEM is approximately 10 USD. Let us say you want to buy a pair of shoes worth USD100 at a merchant who is accepting USD and YEM, you could pay USD100 or YEM10. If you pay with YEM, the merchant will use their YEM to pay for other goods and services within the YEM economy.

As both currencies, the USD and YEM, hold their value simply because people have faith that other parties will accept it, it is important to understand which currency has more chances to develop in the near future as well as long term. The USD is a so-called fiat currency. Since it is not linked to any physical asset, Government has the freedom to print additional money with no limitation. The biggest hazard of printing too much money is hyperinflation. With more of the currency in circulation, each unit is worth less. In contrast, the total supply of YEM is strictly limited to 100 billion units, there will never be more than 100 billion YEM circulating.

The USD economy is not just limited to the U.S., because it is still the leading currency for global payments. Now, the more other currencies are used, the more the value of USD is under pressure. In contrast, YEM has been created just 4 years ago, and the volume of global transactions is growing fast while the supply of YEM is limited. As of today, about 700 billion USD worth of transactions have been processed in YEM since 2017. At the same time, the value of YEM went from USD0.01 to USD10.00.

The YEM Foundation as the Regulatory Authority for the YEM is acting comparable to a central bank for any fiat currency. Their major goal is to protect and grow the value of their currency. While some governments peg their own currency to one of the major world currencies, others decided to let the currency's value float.

The United States is just one of the major economies that uses a floating exchange rate. In a floating system, the rules of supply and demand govern a foreign currency's price. Therefore, an increase in the amount of money will make the denomination cheaper for foreign investors. And an increase in demand will strengthen the currency (make it more expensive).

The YEM Foundation decided to protect the YEM by establishing a range for the value of YEM, which is currently USD9.50 to USD10.50. Nobody within the YEM Economy is allowed to trade YEM below or above this range. Thus, we are creating a stability for YEM, which is important to build trust, while there is still room for the market to drive the value up or down.

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As a side effect, YEM is not attractive for speculative trading, which brings even more stability in value. While other digital currencies like Bitcoin can lose or gain 10, 20, 30% overnight, in the interest of all YEM holders this is impossible for YEM.

**Conclusion:** The supply of YEM is strictly limited while the global YEM economy is growing fast. YEM helps encourage economic activity by increasing the market for various goods. And YEM enables consumers to store wealth and therefore to address long-term needs. Money was once limited to the domain of physical coins and bills, but today's digital economy means that more and more money now exists as data stored in blockchain-based ledgers. YEM is one of the world's leading digital currencies for real economic transactions with the highest potential for future growth.



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