



The \$Pengo brief. V2.0

V1.0: Original

V1.1: Add Pengo Miner

V2.0: Add Private Pengo token \$pPENGO

Narrative:

Rising from the Ashes of Hyperinflation

The history of fiat currencies is littered with catastrophic failures, where unchecked monetary policies led to economic ruin and societal upheaval. The Weimar Republic's mark in 1923 saw prices soar so rapidly that workers were paid twice daily to spend wages before they lost value. Zimbabwe's dollar in the 2000s reached a point where a single egg cost billions, with inflation peaking at 79.6 billion percent monthly. Venezuela's Bolívar, collapsing since 2016, hit 1.7 million percent inflation by 2018, forcing citizens to carry stacks of cash for basic goods. But perhaps the most staggering example is the Hungarian Pengő, which, between 1945 and 1946, suffered the worst hyperinflation in recorded history, with prices doubling every 15 hours and a monthly inflation rate of 41.9 quadrillion percent. These disasters—born from excessive money printing, centralized mismanagement, and economic devastation—highlight the fragility of fiat systems. At Inflationary Coins, we've studied these failures, including the Pengő's collapse, to design a cryptocurrency (\$Pengo) that avoids such pitfalls through deflationary principles, ensuring stability and trust.

The Lessons of Hyperinflation: The Pengő's Collapse and Beyond

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The Hungarian pengő, introduced in 1927 to stabilize Hungary's economy after the korona's inflation post-World War I, was initially a beacon of hope, pegged to gold and considered one of Europe's most stable currencies. However, World War II decimated Hungary's economy, with 90% of industrial facilities damaged and infrastructure in ruins. The government, under pressure to fund war reparations and rebuild, resorted to rampant money printing. By July 1945, the currency in circulation was 25 billion pengő; by July 1946, it ballooned to 47 septillion pengő. The pengő's

value plummeted: in 1927, 5.26 pengő equaled one US dollar, but by June 1946, it took 460 trillion trillion pengő to match a single dollar.

To cope, Hungary issued increasingly absurd denominations: the milpengő (million pengő), then the b.-pengő (billion pengő), culminating in the 100 quintillion pengő banknote (10^{20}), the highest denomination ever circulated. A kilogram of bread, costing 6 pengő in August 1945, soared to 5.85 billion pengő by June 1946. The adópengő, introduced in 1946 as an inflation-indexed tax currency, failed to stem the tide, with its value dropping to 2 sextillion regular pengő by July. By August 1946, the total value of all pengő banknotes in circulation was worth just one-thousandth of a US cent, forcing a currency reform where 400 octillion pengő (4×10^{29}) equaled one forint.

Like the Weimar mark, Zimbabwean dollar, and Venezuelan bolívar, the pengő's collapse stemmed from centralized control and unrestrained money creation, exacerbated by war and economic devastation. These cases reveal a pattern: fiat currencies, when mismanaged, erode trust, destroy savings, and destabilize societies. Inflationary Coins is built to avoid these failures by embracing decentralization and deflationary tokenomics with the \$Pengo token with a supply of 100 quintillion \$Pengo at start (the highest denomination ever circulated)

A Deflationary Antidote to Hyperinflation

Drawing lessons from the pengő and other hyperinflationary disasters, \$Pengo is engineered to prioritize scarcity, transparency, and resilience. Our cryptocurrency counters the flaws of fiat systems with the following features:

- **Fixed Supply Cap:** Unlike the pengő, which saw its supply explode from 25 billion to 47 septillion in a year, \$Pengo has a hard cap of 100 quintillion tokens, hardcoded into our blockchain. This mirrors Bitcoin's 21 million coin limit, which has proven effective in maintaining scarcity and value over time.
- **Token Burning Mechanism:** To emulate the scarcity lost in hyperinflationary systems, \$Pengo implements regular token burns, inspired by Binance Coin (BNB), which has reduced its supply by 20% since 2017. A portion of transaction fees and ecosystem profits is used to buy back and burn \$Pengo sending them to an inaccessible address, ensuring a gradually decreasing supply. Clear financial targets are defined and hitting these targets results in coordinated burns and whenever the project moves to a new phase of the project the total supply is reduced significantly.
- **Halving Events:** Every year, \$Pengo's reward distribution amounts are reduced, slowing freely distributed coins. This mechanism, akin to Bitcoin's halving, enhances scarcity without compromising network utility.
- **Decentralized Governance:** The Pengő's downfall was tied to centralized control, with the Hungarian National Bank printing money to meet government demands. \$Pengo operates on a decentralized blockchain governed by a DAO, where community stakeholders vote on key decisions, preventing arbitrary supply changes and fostering transparency.

- Utility-Driven Ecosystem: \$Pengo will power a robust ecosystem of DeFi platforms, NFT marketplaces, and dApps, ensuring practical use while maintaining scarcity. Unlike the pengő, which became worthless for transactions, \$Pengo balances usability and value preservation, avoiding the hoarding issues of extreme value deflation.

Why Deflation Works

The pengő's hyperinflation, like that of the Weimar mark, Zimbabwean dollar, and Venezuelan bolívar, showed how excessive money supply destroys value. \$Pengo's deflationary model ensures the opposite: a controlled, diminishing supply that increases intrinsic value over time. Bitcoin's rise from cents to tens of thousands of dollars demonstrates the power of scarcity-driven tokenomics. Similarly, \$Pengo's burns and halving events create a predictable, transparent system that contrasts with the chaotic printing of pengő notes, which escalated from 1,000 to 100 quintillion in just two years.

By learning from the pengő's failure—where lack of supply control and centralized mismanagement led to economic collapse—\$Pengo offers a currency that resists devaluation and empowers users. Our deflationary approach ensures that, unlike the pengő, which rendered savings worthless, \$Pengo incentivizes long-term holding while supporting a functional economy. The token taxation ensures a growing bag of \$Pengo for the community just by holding the token.

Vision

To create a dynamic, user-centric ecosystem on the COTI blockchain that incentivizes active participation and engagement by distributing deflationary tokens as rewards, fostering long-term value appreciation and network growth. By leveraging airdrops tied to on-chain activity, the project aims to enhance user loyalty, drive adoption, and spotlight the COTI chain's scalability, privacy, and payment-focused capabilities, positioning it as a leading infrastructure for decentralized finance and Web3 applications.

Key Elements of the Vision:

- Rewarding Active Users: The project prioritizes rewarding users who actively engage with the COTI ecosystem—such as through transactions, staking, governance, or participation in DeFi and payment applications. Rewards are distributed via airdrops, ensuring users benefit directly from their contributions to network activity.
- Deflationary Token Mechanism: The airdropped tokens are designed with deflationary properties through mechanisms like token burning and taxation of transactions. This aims to increase token scarcity over time, enhancing value for holders and incentivizing sustained engagement.
- Driving Attention to COTI Chain: By tying rewards to on-chain activity, the project showcases the COTI blockchain's strengths, such as its high transaction throughput (up to 100,000 TPS), low fees, and privacy features powered by Garbled Circuits in COTI V2.

This strategy highlights COTI's role as a scalable, privacy-centric Layer 2 on Ethereum, attracting developers, merchants, and users to its ecosystem.

- Community Empowerment and Decentralization: The vision aligns with COTI's gradual decentralization goals, empowering users through governance (e.g., via gCOTI tokens) and rewarding participation in network activities like staking or node operation. Airdrops serve as a tool to distribute value equitably, encouraging a community-driven ecosystem.
- Ecosystem Growth and Adoption: The airdrop campaign draws attention to COTI's unique offerings, such as its architecture, privacy, support for custom tokens, and partnerships (e.g., Cardano's Djed stablecoin). By rewarding active users, the project aims to boost network usage, liquidity, and developer interest, cementing COTI's position in Web3 and DeFi.

Why This Vision Matters:

This approach aligns with COTI's mission to provide a scalable, secure, and user-friendly payment infrastructure. By rewarding active users with deflationary tokens, the project creates a self-reinforcing cycle of engagement, value appreciation, and network visibility, positioning COTI as a competitive player in the blockchain space.

Phases

The \$Pengo token project consists of three phases:

- Initiation phase
Establish the project, get the word out, become noticed
- Establishment phase
Build the foundation for the future through solid structure, different pairs and partnerships.
- Flywheel
Reduce supply and boost value through continuous buy back and deflation of supply

Initiation Phase

- ~~Build liquidity in the \$COTI - \$PENG pair on Carbon. Target minimum: 100k \$COTI TVL~~
- ~~Build a holder base Target 2500 Holders~~
- ~~Create transactions Target 10k transactions~~
- ~~Create value Target token price 0.0(12)1 \$COTI~~
- ~~Build treasury for later use Target 5k COTI~~
- ~~Increase \$Pengo in circulation Target 250 Quadrillion \$Pengo in circulation~~

Liquidity and Treasury build (1+5):

- Using current project members private treasury revenue to buy \$Pengo tokens from the market and fill the \$Pengo - \$COTI strategy
- Sell \$Pengo back into market at 70-80% volume of last buy with the Inflationary Coins wallet.

- Use 75% of revenue to add to the \$Pengo - \$COTI strategy
- Add 25% to treasury.
- Create an NFT of this brief and sell for 10 \$Pengo to drive further revenue for liquidity and treasury build.

This ensures slow creating of liquidity while creating a Inflationary Coins treasury.

Holder Base (2):

- Airdrop \$Pengo tokens daily to transaction creating wallets
- Airdrop \$Pengo tokens daily to wallets making token transfers
- Airdrop \$Pengo tokens to all NFT holders on COTI chain
- Airdrop \$Pengo tokens to users of faucet on testnet
- Airdrop \$Pengo tokens to all ERC20 token holders
- Set up a COTI tipping bot for distribution to active people in COTI Telegram channels. (Phase2)

Create transactions (3):

- Airdrop \$Pengo tokens regularly
- Create arbitrage opportunities by having several strategies live in Carbon for arbitrage purposes.
- Set up COTI tipping bot. (Phase 2)

Create Value (4):

- Buy continuous more \$Pengo tokens then the amount of injected \$Pengo tokens to increase value of \$Pengo.
- Explain future value of \$Pengo to motivate community purchases.
- Run tipping bot revenue back to buy \$Pengo (Phase 2)

End of Phase.

The end of the Initiation phase is reached when the majority of the defined targets have been reached. With that \$Pengo has established itself as a solid Defi Meme coin on COTI

Establishment Phase

- ~~Build 4 additional token pairs (USDC, WETH, WBTC & gCOTI) in Carbon DEX for Arbitrage~~
~~Target min 4k USDC worth.~~
- ~~Boost volume with cross token arbitrage~~
- ~~Switch off the tax free feature for the founder wallet.~~
- ~~Set up partnerships with other projects - Target minimum three projects.~~
- ~~Grow Inflationary Coins treasury - Target minimum 25k \$COTI.~~
- ~~Reduce supply with a factor 10. Down from 100 Quintillion \$Pengo to 10 Quintillion \$Pengo.~~
- ~~Launch tipping bot and payment script.~~
- ~~Create educational NFT's~~

Create PENG Miner for further community distribution of \$PENG tokens

Flywheel Phase

- Stop token injection by selling tokens and let the price flow freely.
- Further reduce the Pengo supply to 2.1 Quintillion \$PENG
- Use revenue from Treasury, Tipping Bot and NFT sales for further growing treasury (50%) and buying supply from the market (50%) for distribution to community
- Set up staking for \$Peng in partnered Node.
- Continue creation of educational NFT's and define monthly airdrop for Pengo NFT holders.



V1.1. Update...

Pengo Miner

Where during phase 1 and phase 2 you earn \$Pengo tokens by contributing to the COTI blockchain, this feature will disappear when we reach phase 3, the Flywheel phase.

At that time we will only distribute \$Pengo tokens on a regular base to holders of the Pengo Miner NFTs. The Pengo Miners will be distributed once we reach a total holder count of 2500 holders for \$Pengo.

How to earn Miners

There are several ways to earn Miners:

- By holding a Pengo Brief NFT
- By buying \$Pengo tokens from the market in the early phase of the project
- By adding liquidity to the any of the \$Pengo pairs in the early phase of the project
- By being in the top 100 \$Pengo holders at time of snapshot
- By holding assets from (future) partner projects

Liquidity of Miners

Miners can be traded on the NFT marketplace and with that they are liquid assets.

There will be a maximum amount of 3800 Miners ever to be created. This maximum is based on the pegging of the FIAT Pengő vs gold, where 3800 Pengő was representing 1kg of gold.

Mining Rewards

- Mining Rewards will be reduced based on the commercial value of \$PENG in the \$PENG - \$COTI pair. The initial value will be 10B \$Pengo per miner per month.
- \$Pengo rewards to non Miner holders will cease to exist after closure of phase 2 the establishment phase.
- The rewards will be paid out of reserve. The reserve is increased with buy back of tokens from the market, using the revenue from the Pengo treasury.
- Besides pay out of \$Pengo for miners, we are also working with partner projects to pay out \$Pengo to its community for holding their assets or using Miners for marketing

purpose as a give away.

Pengo Brief

Updates Pengo Brief

The Pengo Brief will be updated on a regular base and every update will be send free of charge to holders of an original Pengo brief. Small updates (addendums) will be indicated by upgrading the version digit 1.x.

Bigger updates will get a new version number x.x. In case of a big update we stop the sales of the old version and will initiate sales of the new version with a new price. Holders of the previous version will receive the new version automatically.

Pengo Supply

The original supply of \$Pengo tokens is 100 Quintillion token during phase 1.

Once 500 Quadrillion \$Pengo is in circulation (phase 2), the supply will be reduced to 10 Quintillion and once 1 100 Quadrillion \$Pengo is in circulation (phase 3), the final supply will be set to 2.1 Quintillion \$Pengo, meaning there will be 1 000 \$Pengo's per Satoshi.

The reduction of supply will be done by sending the excess supply to a second burn wallet, which will be excluded from tax income.

The founders wallet will be included in the taxation once we reached a TVL of 50k \$COTI (phase 2). This means that all \$Pengo distributed will be taxed which results in all \$Pengo holders (including the original burn wallet) earning \$Pengo.

Due to this the supply will continuously decrease and \$Pengo becomes deflationary..

V2.0. Update...



Private Pengo (\$pPENGÖ)

With the launch of the COTI Telegram Wallet bot, management of Private tokens has become much more user friendly. It marks the birth of the first Private DEFI token on COTI chain... \$pPENGÖ.

Narrative:

The Rise of \$pPENG0: From Hyperinflation's Ghosts to Deflationary Privacy in DeFi

In the annals of economic history, few tales are as cautionary as that of the Hungarian pengő, the fiat currency that once symbolized a nation's resilience but ultimately succumbed to the ravages of hyperinflation after World War II. Introduced in 1927, the pengő started as a stable unit of exchange, backed by gold and silver. But by 1946, postwar chaos and unchecked money printing turned it into a parody of value. Banknotes ballooned to absurd denominations—imagine holding a single bill worth 100 million pengő, then escalating to a "billion" (actually a milliard, or 10^9) and even a "trillion" pengő (10^{12}). These weren't just numbers; they were desperate additions of words like "Billion" and "Trillion" stamped boldly on the notes to denote their astronomical face values, as printers struggled to keep up with zeros that multiplied like a viral fever. The pengő's collapse was swift and total, teaching the world a hard lesson: unchecked inflation erodes trust, wealth, and society itself.

Fast-forward to the blockchain era, where we've reimagined this infamous name not as a symbol of decay, but as a beacon of innovation and scarcity. Enter \$PENG0, our public token thriving in the inflationary currents of modern crypto ecosystems. But today, we unveil its shadowy counterpart: \$pPENG0, the private token on the COTI V2 network—a DeFi powerhouse designed for discretion, deflation, and decentralized empowerment.

Picture \$pPENG0 as the elite vault to \$PENG0's bustling marketplace. Pegged at an epic scale, one \$pPENG0 represents a staggering 100 Billion \$PENG0, echoing the hyperbolic denominations of its historical namesake. But where the old pengő notes bloated with worthless trillions, \$pPENG0 flips the script: it's engineered for deflationary strength. Every time you bridge funds between the public \$PENG0 and the private \$pPENG0—or vice versa—a precise 5% token burn ignites, permanently removing supply from circulation. This isn't arbitrary destruction; it's a deliberate mechanism to enhance scarcity, driving long-term value as the total pool shrinks with each transaction. In a world drowning in inflationary tokens, \$pPENG0 stands as a deflationary fortress, rewarding holders who navigate its ecosystem wisely.

What truly sets \$pPENG0 apart in the DeFi landscape is its unwavering commitment to privacy. Built on COTI V2's advanced confidential computing, this token operates like a digital whisper network—transactions shielded from prying eyes, metadata obscured, and user identities preserved without compromising the blockchain's integrity. No more exposed wallets or traceable trails that plague traditional crypto; \$pPENG0 ensures your moves remain yours alone, whether you're swapping assets, providing liquidity, or staking in decentralized protocols. It's DeFi at its purest: no central banks dictating terms, no

intermediaries skimming fees—just peer-to-peer freedom, governed by smart contracts that anyone can audit yet no one can invade.

In honoring the pengő's wild past, \$pPENG transforms tragedy into triumph. Those old banknotes, bloated with "Billion" and "Trillion" labels, were cries for help in a failing system. Here, the "p" prefix—standing for private—signals a new era: one where hyper-scale value meets hyper-secure privacy, all wrapped in deflationary tokenomics that burn away excess like a controlled fire refining gold. For DeFi enthusiasts, privacy advocates, and those weary of inflationary fiat echoes, \$pPENG isn't just a token—it's a narrative of redemption, proving that from the ashes of economic folly, true innovation can rise. Join the movement, bridge wisely, and watch scarcity forge your fortune.

pPENG Supply

The supply of \$pPENG tokens is 21 Million tokens.

Every \$pPENG is backed by 100 Billion \$PENG.

Bringing \$pPENG into circulation

The \$pPENG tokens are brought into circulation by moving them from the founding wallet (...OA658) to the distribution wallet (...0636A) which is connected to the COTI Telegram Wallet bot.

Every time \$pPENG tokens are moved to the distribution wallet, the backing \$PENG is moved to the pPENG founding wallet (...OA658) to take them out of circulation. This generates a tax of 5% on the moved \$PENG. To compensate for this 5% tax on the \$PENG, 5% of the \$pPENG moved to the distribution wallet is burned by sending it to Dead Wallet (...0dEaD).

This means bringing \$pPENG into circulation initiates a burn both in \$pPENG and in \$PENG supply, boosting the inflation rate of both..

Distribution of \$pPENG tokens.

In time there will be a bridging mechanism where you can trade your \$Peng tokens for \$pPENG at the 100 Billion \$Peng denomination. At this stage there are only three ways to acquire \$pPENG..

1. By requesting the PENG Miner rewards to be paid out in \$pPENG instead of \$PENG. The payment rate is 0.1 \$pPENG per miner. At the start, we can only allow 5 addresses for this feature until further developments have occurred.
2. We reserve up to 1000 \$pPENG to distribute to people with solid value add to the COTI blockchain and its wider ECOsystem.

3. By sending \$PENG to our distribution wallet (...0636A). Please announce transaction through DM to Infl. Tokens Twitter or Telegram account and be aware that the transaction to our distribution wallet will be taxed (5%) impacting the amount of \$pPENG you will receive.

Use Case.

The use case of \$pPENG at this time is to have your stack in \$PENG stored in a private manner. More use cases will follow later.

At any time you can convert them into 100 Billion \$PENG each (-5% tax). This means there is some loss in value by exchanging them, driving \$PENG deflation.

If you have received them as PENG Miner rewards, there is no loss in value as you will receive the same amount of \$Peng after conversion as you would have received if the reward came directly as \$Peng rewards.

More details to come in Pengo Brief 2.1....