Haystack: Mobile-First DeFi on Algorand

Version 1.0 | 2025

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Executive Summary

Haystack delivers the first mobile-native DeFi experience on the Algorand blockchain. By pairing institutional-grade infrastructure with consumer-friendly design, it removes traditional barriers to participation while preserving the core principles of security and self-custody.

Powered by Deflex's universal order router, Haystack aggregates liquidity across the Algorand ecosystem to provide best-execution trades, real-time portfolio analytics, and yield opportunities. The $HAY utility token aligns platform success with token holders by funding an automated buy-and-burn, unlocking fee discounts, and granting access to enhanced yield opportunities.

Key Metrics:

- Total Supply: 100,000,000 $HAY
- Initial FDV: $2,000,000
- Public Sale: 30% of supply across three transparent tranches
- Private Sale: None

1. Market Analysis

1.1 Current Landscape

The defi ecosystem on Algorand faces a critical adoption challenge. Despite the massive potential of DeFi, significant barriers prevent mainstream adoption:

- **Mobile-First Reality**: 78% of cryptocurrency users primarily access services via mobile applications[1], yet most DeFi protocols remain desktop-centric
- **Fragmented Liquidity**: Algorand's on-chain trading volume remains small and dispersed across multiple protocols, resulting in suboptimal execution
- **Technical Complexity**: Seed phrase management and wallet / dApp interactions intimidate new users, creating onboarding friction
- **User Experience Gap**: Existing Algorand DeFi applications lack the intuitive, mobile-first interfaces users expect from modern financial applications

1.2 The Opportunity

Algorand's technical superiority, instant finality and minimal fees, provides the ideal foundation for consumer-grade DeFi applications. However, the ecosystem lacks a unified, mobile-first platform that can serve as the gateway for mainstream adoption.

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[1] Crypto User Demographics & Statistics, CoinLaw, 2024.
https://coinlaw.io/crypto-user-demographics-statistics/

2. The Haystack Solution

2.1 Vision

Haystack transforms Algorand into an accessible, engaging, and rewarding DeFi ecosystem by prioritizing superb user experience without compromising security or decentralization.

2.2 Core Innovation

Haystack introduces five fundamental innovations:

1. **Frictionless Onboarding**: Social authentication via Web3Auth enables users to access DeFi without managing seed phrases, while crucially maintaining non-custodial control
2. **Mobile-First**: An intuitive and simple mobile experience to meet users where they are
3. **Universal Liquidity Aggregation**: The Deflex router intelligently routes orders across all available liquidity sources, ensuring best execution on swaps
4. **Sustainable Token Economics**: Automated buy-and-burn mechanics & no private sales
5. **Referral Mechanism**: A lifetime 25% revenue share on all trading fees generated by referred users

3. Platform Features

3.1 Authentication & Security

Social Login Integration
Users onboard seamlessly using existing Google or Apple accounts, secured through Web3Auth's Multi-Party Computation (MPC) technology. This approach maintains the security guarantees of self-custody while eliminating seed phrase complexity. Users still have the ability to export their seed phrase if they desire.

NFDomains Integration
Human-readable blockchain identities replace complex wallet addresses. Users can mint, manage, and resolve NFDs directly within the application, creating a familiar username-based experience.

3.2 Trading Infrastructure

Universal Asset Swapping
The Deflex order router enables instant swaps between any Algorand Standard Assets (ASAs) with:

- Intelligent order routing across all major on-chain liquidity sources (Tinyman, Pact, Folks)
- Slippage controls
- Unique on-chain referral system

Market Discovery Tools

- **Movers Dashboard**: Real-time tracking of top gainers, losers, and volume leaders
- **Trending Algorithm**: Dynamic asset discovery based on volume, price action, and community engagement
- **Boost Mechanism**: Transparent promotional system allowing projects to increase visibility and rank in the trending algorithm

3.3 Analytics & Intelligence

Comprehensive Asset Metrics

- 24-hour volume
- Total value locked (TVL)
- Holder distribution
- Market capitalization and circulating supply
- Verified project information
- Launch provenance and historical data

Personalized Notifications

- Large transaction alerts
- Percentage price movement alerts
- Referral activity alerts
- NFD identity resolution on all transactions

3.4 Yield & Incentives

Referral System

There is a lifetime 25% revenue share on all trading fees generated by referred users, distributed in real-time via smart contracts. No caps, no limits, fully transparent on-chain settlement.

$HAY-Enhanced Opportunities

- Discounted trading fees
- Exclusive access to high-APY staking pools
- Access to Haydrops
- Access to high-APY liquidity pools

Haydrops Platform

Decentralized airdrop protocol enabling projects to distribute tokens efficiently while rewarding $HAY holders with exclusive access to new opportunities. Drops can be gated on:

- Assets created by address
- Holding amounts of specific asset ID(s) (e.g., $HAY)
- Assets in NFD linked address
- NFD segment
- NFD with verified Twitter/Bluesky
- NFD holding age
- Haystack trading volume

4. Technical Architecture

4.1 Infrastructure Stack

Haystack leverages best-in-class infrastructure providers to deliver enterprise-grade reliability:

Component	Provider	Function
Authentication	Web3Auth	Secure MPC-based key management
Trading Engine	Deflex	Universal order routing and execution
Fiat Rails	Coinbase	Regulated on/off-ramp services
Identity	NFDomains	Human-readable addressing system

4.2 Security Model

- **Self-Custodial Architecture**: Users maintain exclusive control of private keys
- **Audited Smart Contracts**: All critical infrastructure has been audited

5. $HAY Token Economics

5.1 Token Specifications

Parameter	Value
Token Name	Haystack
Symbol	HAY
Total Supply	100,000,000
Token Type	Utility
ASA ID	3160000000
Creator	treasury.haystack.algo

5.2 Distribution Model

Allocation	Percentage	Tokens	Purpose
Community	35%	35,000,000	Long-term incentives, rewards, airdrops
Public Sale	30%	30,000,000	Three transparent tranches
Team	20%	20,000,000	1-year cliff, 3-year vesting
Liquidity	10%	10,000,000	DEX & CEX liquidity
Marketing	5%	5,000,000	Growth initiatives and partnerships

5.3 Public Sale Structure

Launch Date: **September 3, 2025**

Tranche	Price	FDV	Tokens	Supply %
1	$0.02	$2M	10,000,000	10%
2	$0.04	$4M	15,000,000	15%
3	$0.06	$6M	5,000,000	5%

Note: One-week cooldown period between tranches. Tokens available immediately upon purchase.

5.4 Utility Framework

Exclusive Access

- High-APY staking pools
- High-APY liquidity pools
- Select Haydrops
- Discounted trading fees

Fee Discount Tiers

Holdings (USD)	Trading Fee Discount
$10	5%
$100	10%
$1,000	25%
$10,000	50%

5.5 Deflationary Mechanics

Automated Buy & Burn
25% of all platform fees (Haystack + Deflex fees) are programmatically allocated to daily $HAY purchases and permanent burning. This ensures the token remains closely tied to protocol usage. Expect future enhancements to the buy and burn mechanism.

5.6 Vesting Schedule

- **Team Allocation**: 12-month cliff followed by 24-month linear vesting
- **Community Rewards**: Distributed over 10 years
- **No Private Sales**: All token sales conducted publicly and transparently on-chain

6. Revenue Model

6.1 Haystack Trading Fee Structure

Trade Size (USD)	Base Fee
$0 - $24.99	1.00%
$25 - $249.99	0.85%
$250 - $2,499.99	0.75%
$2,500+	0.50%

Fees subject to $HAY holding discounts. Separate from DEX and network fees.

6.2 Premium Services

Asset Boosts
Projects can promote assets through the trending algorithm via transparent USDC payments. Boosts are stackable and time-bound, creating a fair promotional marketplace. Each boost costs $3 USDC and lasts 24 hours.

Haydrops
Projects can distribute tokens through Haydrops to promote their assets. Creating an airdrop costs 10 ALGO (of which half is sent to the fee sink) and each claim costs .05 ALGO.

6.3 Deflex Router Fees

Cross-Ecosystem Fee Generation
The Deflex order router charges 22 basis points (0.22%) on all swap outputs processed through its infrastructure. As a core routing engine integrated across multiple applications throughout the Algorand ecosystem, Deflex creates diversified revenue streams that contribute to the platform's buy-and-burn mechanism.

7. Development Roadmap

Phase 1: Foundation (Completed H1 2025) ✓

- ✓ Web and mobile core infrastructure
- ✓ Web3Auth social login
- ✓ Deflex routing integration
- ✓ NFDomains minting and resolution
- ✓ Coinbase fiat on/off-ramp
- ✓ Referral system deployment
- ✓ Push notification framework
- ✓ Asset boost mechanism

Phase 2: Token Launch (H2 2025 - H1 2026)

- Public sale execution and token deployment
- $HAY staking pool
- Haydrops airdrop platform integration
- One-click yield opportunities (lending)
- Expanded fiat on/off-ramps

Phase 3: Ecosystem Expansion (2026+)

- Gamified trading competitions
- Cross-chain bridge integration
- Multi-network support

8. Growth Strategy

8.1 Community-Centric Approach

Incentive Alignment
35% of total supply is dedicated to community initiatives over 10+ years, ensuring long-term alignment between platform growth and user rewards.

Multi-Tier Reward System

- **Volume-Based Rewards**: Weekly leaderboards distributing $HAY proportionally to trading activity
- **Liquidity Incentives**: Enhanced rewards for select $HAY pair liquidity providers
- **Strategic Airdrops**: Three major distributions over three years targeting active ecosystem participants

8.2 Ecosystem Integration

Deflex Network Effects
Strategic partnerships with established Algorand applications (Pera, Defly, etc.) to maximize router utilization and fee generation across the ecosystem.

Developer Engagement
Open-source tools and comprehensive documentation enabling third-party integrations and ecosystem growth.

8.3 Marketing Excellence

Transparent Partnerships
Collaboration with credible voices in the Algorand and broader crypto community, focusing on education and genuine value creation.

8.4 Strong Economic Alignment

Fair Launch Commitment
No private sales or insider allocations—all token distribution occurs transparently on-chain through public sales. This approach ensures equitable access for all participants, fostering genuine community ownership from day one.

9. Team & Track Record

TxnLab, Inc.

Since 2021, TxnLab has established itself as a cornerstone infrastructure provider in the Algorand ecosystem, delivering mission-critical products used by thousands of users daily:

Proven Products:

- **NFDomains**: Algorand's premier naming protocol (68,000+ domains registered)
- **Réti Pooling**: Leading staking infrastructure (450M+ ALGO secured across 50+ validators)
- **use-wallet**: Most adopted wallet integration package in Algorand
- **Deflex**: Acquired and enhanced to become Algorand's premier routing engine

10. Risk Factors

Technical Risks

- **Smart Contract Vulnerabilities**: Mitigated through comprehensive audits
- **Layer-1 Dependencies**: Algorand blockchain downtime (zero incidents in 6+ years)
- **Third-Party Infrastructure**: Service provider outages potentially impacting user experience

Operational Risks

- **Key Management**: Reliance on Web3Auth MPC infrastructure
- **Regulatory Uncertainty**: Evolving global crypto regulations
- **Market Volatility**: Cryptocurrency market conditions affecting adoption

11. Legal Disclaimer

This whitepaper is provided for informational purposes only and does not constitute investment, financial, trading, legal, tax, business, professional or other advice. The $HAY token is a utility token designed exclusively for use within the Haystack ecosystem. There are risks associated with participating within the Haystack ecosystem, and this disclaimer covers some of these risks.

Important Notices:
- $HAY tokens confer no equity rights, dividends, or claims to TxnLab profits.
- Participation may be restricted based on applicable law or regulations of the United States or otherwise. You may not use our services from any jurisdiction or territory that is sanctioned by the United States of America or any agency thereof from time to time or if you are an individual or entity that is sanctioned by the United States of America or any agency thereof from time to time.
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12. Contact Information

Official Channels:

- **Application**: hay.app
- **Documentation**: hay.app/docs
- **Discord Community**: discord.gg/9saqAjbzG8
- **X Community:** x.com/haydotapp
- **Email Support**: support@txnlab.dev

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