

# TokenInsight

# 2021 Q3 DeFi Industry Report

TokenInsight Research

Oct. 2021





# TokenInsight

Find, Create, and Spread Value in Blockchain

The DeFi market in 2021 Q3 seemed like a new page in the cryptocurrency's history. The total market locked value (TVL) finally exceed \$200b, which is 24% higher than Q2, 147% higher than Q1, and it is 464% higher than Q3 2020!

## Axie Infinity, Opensea & NFTs

After the huge crash in May this year, the DeFi market experienced a silent June and July. TVL fluctuated around \$100b, while the total protocol revenues remained low (less than \$20m). However, the bull came starting with the hotspot of *Axie Infinity* and the summer of NFTs. *Axie Infinity* and *Opensea's* revenue boosted to \$500m+ in Q3.

## DeFi 2.0

Except for the mature of the basic DeFi sectors led by *Uniswap* (37% share), *Aave*, *Curve* and *MakerDAO*, we could see the market has a lot of preferences on products that provide both high-yield and detailed secondary services. For example, *Lido*, the PoS staking liquidity solution, attracted billion dollars assets due to the demands of *Ethereum* staking booming, ranking its TVL to the of top 10 DeFi protocols. Another example is *Convex*, a *Curve* yield optimization solution, providing better yields with relatively lower capital occupation, also got a boosting TVL to nearly \$8b. We also covered *Tokemak*, *Olympus Pro* and *Alchemix* into our discussions.

## Derivatives DEXs

Derivatives also have trends to boom. The top 2 perpetual DEXs, *Perpetual* and *dYdX*, performed impressively in Q3. *Perpetual* protocol's

token price increased by 90%, and its market cap increased incredibly by 500%. *dYdX's* trading volume surpassed *FTX's* derivatives volume on September 28.

## Solana

*Solana* also experienced "a great summer" in Q3. Leading by \$SOL, the average *Solana* protocol market cap increased 425% in Q3. Among them, the stablecoin protocol *Saber* even reached 122 times increase.

## Layer-2 & multi-chains

Another remarkable trend is the migration towards layer-2 solutions. *Arbitrum's* mainnet launch took a 20% market share from *Polygon*. Other smart contracts platforms' tokens such as *Terra*, *Avalanche*, *Fantom* and *Celo*, their market cap has increased by more than 3 times, while with some big progresses and star projects to expect.

We also discussed a lot about [cross-chain market](#), [structured yield projects](#), [interest rates projects](#), [options](#), and even [DeFi 2.0](#).

*TokenInsight Research* has always been the pioneer exploring in the deep DeFi market. We are very grateful and pleased to continue this journey with our supporters and "hodlers". We also would like to find who are strong believers in crypto, who love to ape, who are enthusiastic enough to explore the new world rules every day. If this is you, we are on the same path. Welcome to reach out, we are excited to invite you to BUIDL together. **WAGMI!**



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*Looking for Research Analysts to buidl together. If you are a crypto expert, and enthusiastic about DeFi, Web3.0, NFTs, GameFi, etc, welcome reaching out to us.*

Email us: [research@tokeninsight.com](mailto:research@tokeninsight.com)



# Market Overview





# Milestones

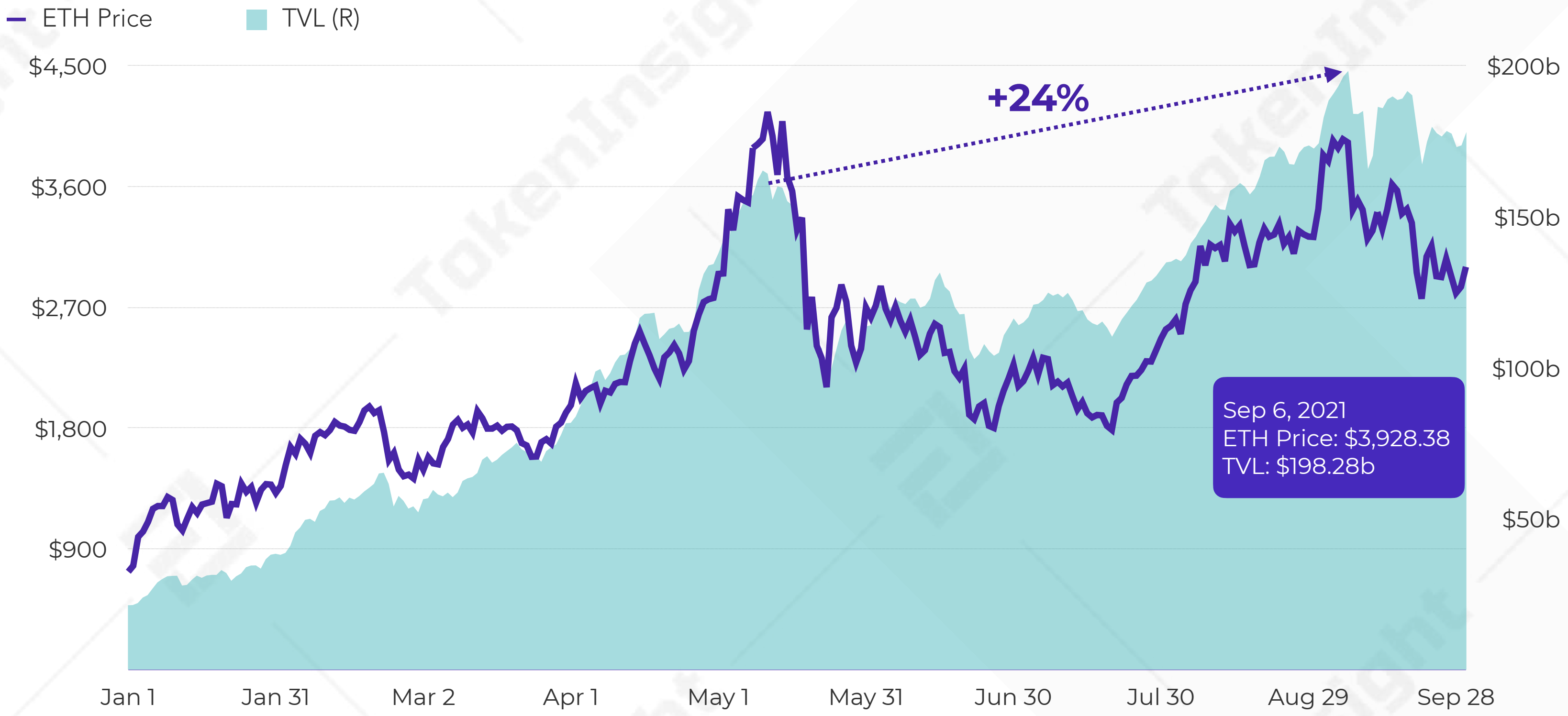
*Solana Summer, NFT Booming and Multi-chains migration are the topics of Q3.*



# DeFi TVL Performance

Total market value locked in DeFi market reached to \$200b in the late of Q3 2021.

DeFi Total Value Locked Change since 2021



Q3 Peak ~\$198.28b

The total value locked in DeFi market almost hits \$200b in the late Q3. On September 6th, the TVL reached to \$198.28b, which is 24% higher than the Q2's peak TVL (\$160b).

Among the top TVL DeFi projects, Curve, Aave and MakerDAO still dominate the market. All of their TVLs have increased roughly over than 50%. Lido's TVL increased the most in Q3. (273%)

	\$13.68B +29.8%		\$12.71B +55.2%		\$11.84B +73.6%		\$10.97B +62.0%		\$9.67B +48.8%		\$7.93B +93.8%		\$6.57B +273.3%
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FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.



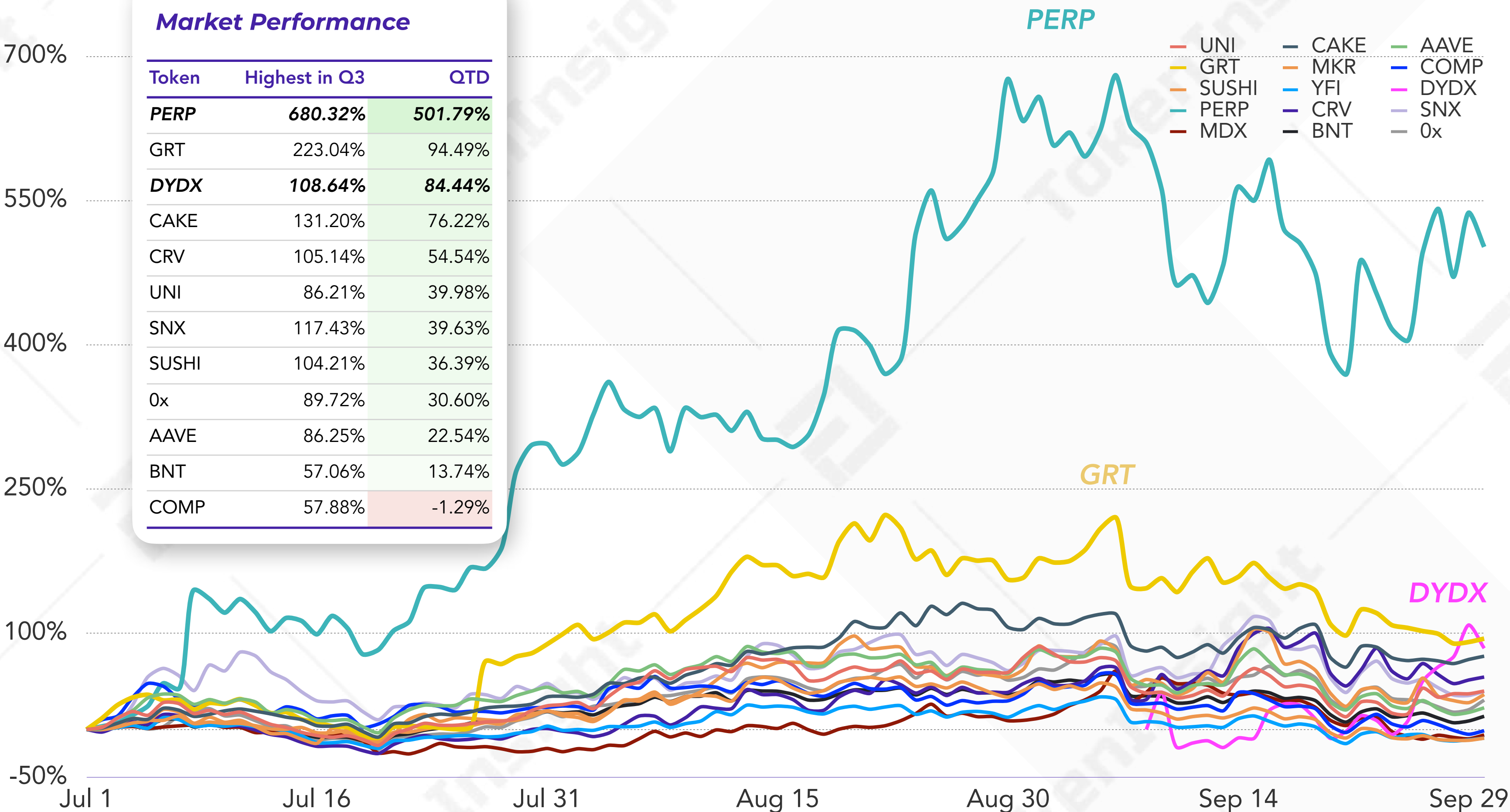


# Market Cap Performance

Derivatives market grew fast, Perpetual increased 500% and dydx increased 85%

Top 15 DeFi Projects Market Cap Change in Q3 2021

Market Performance		
Token	Highest in Q3	QTD
PERP	680.32%	501.79%
GRT	223.04%	94.49%
DYDX	108.64%	84.44%
CAKE	131.20%	76.22%
CRV	105.14%	54.54%
UNI	86.21%	39.98%
SNX	117.43%	39.63%
SUSHI	104.21%	36.39%
0x	89.72%	30.60%
AAVE	86.25%	22.54%
BNT	57.06%	13.74%
COMP	57.88%	-1.29%



We could see a clear booming of the derivative market. Among the top market-caps' DeFi projects, perpetual swap protocol Perpetual gains the most in Q3. dYdX also performed well. Perpetual' market cap rose from \$162m to \$978m (+500%) with a peak at \$1.27b.

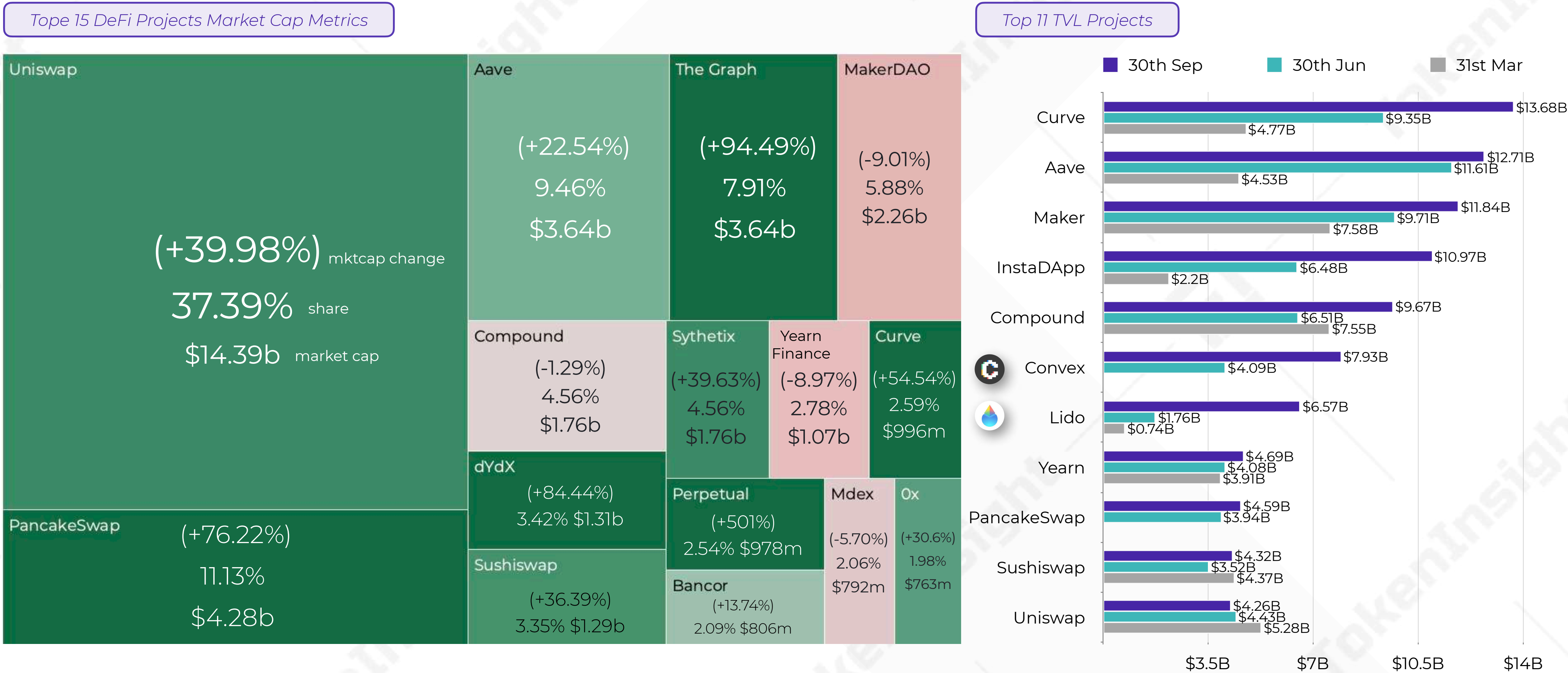
On-chain data query protocol the Graph listed at the second: market cap increased from \$1.56b to \$3.04b (+95%) .



# Market Share Dominance

We saw a 52% average market cap increase among top 15 DeFi cap projects. Curve's TVL surpassed Aaves' becoming the top 1 with \$13.68b by the end of Q3.

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.



Source: Coinmarketcap, DeFiLlama, TokenInsight. Date: 2021.09.30



# DeFi Projects' Revenue

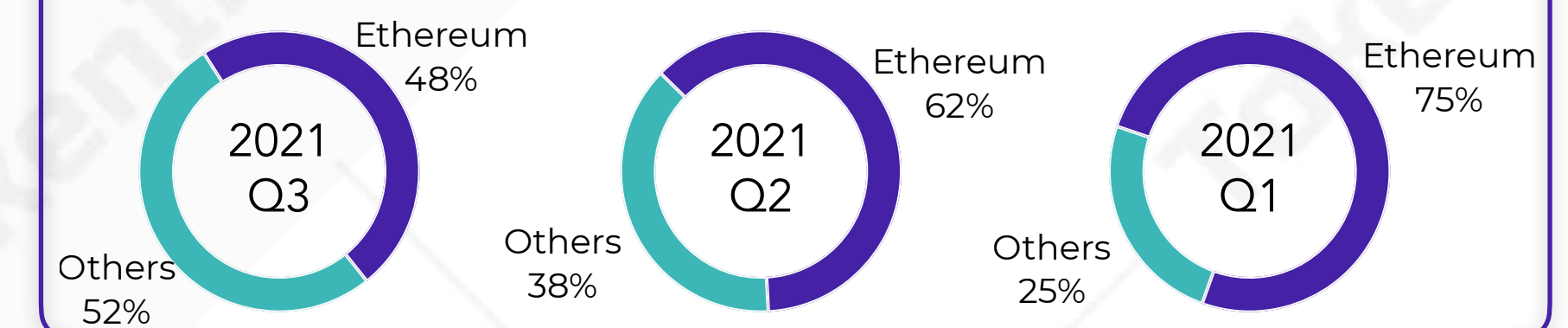
*After the highest booming in May, DeFi's daily revenue back to \$40m, Ethereum dominance dropped to 50% in Q3. Axie Infinity and Opensea caught the July summer.*

Play-2-Earn game Axie Infinity's revenue is the most gainer in Q3 2021, boosting from \$15.9m (Q2) to \$782m by the end of Q3 (+481%).

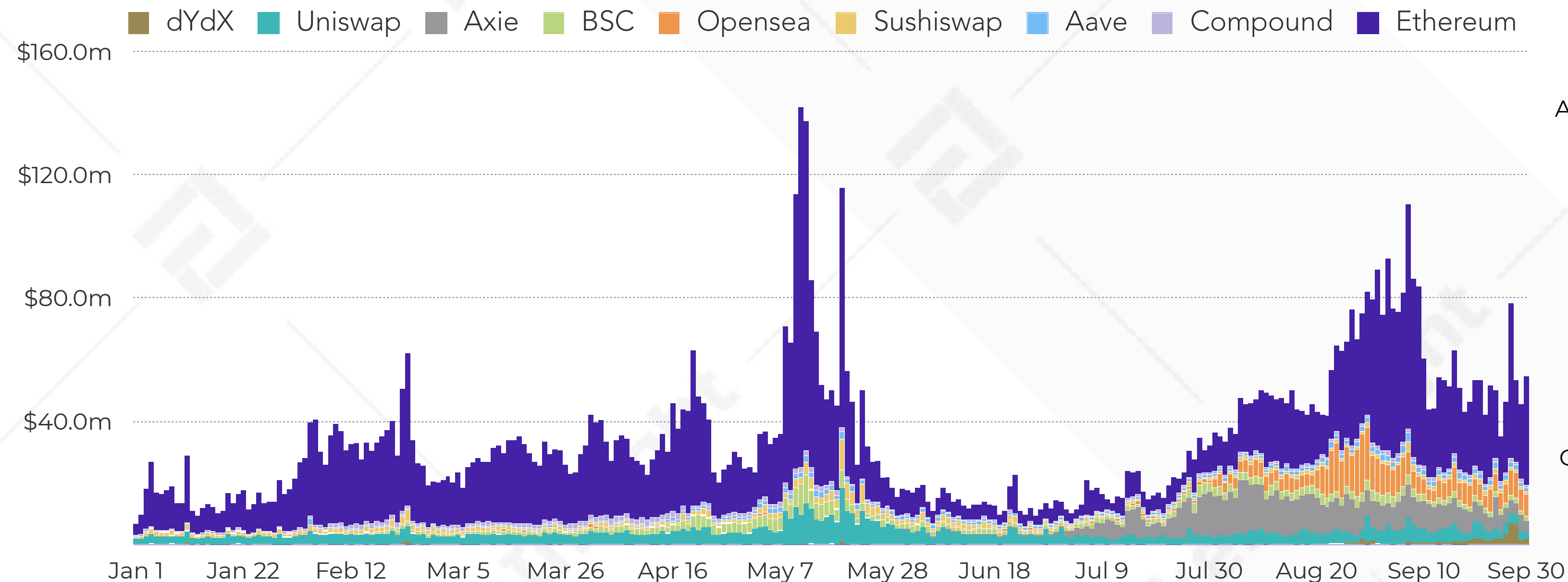
Opensea shows the same trend due to the rise of NFTs market in late May, increasing to \$463m in Q3, which is 200% higher than Q2.

dYdX also made a mark in the end of September.

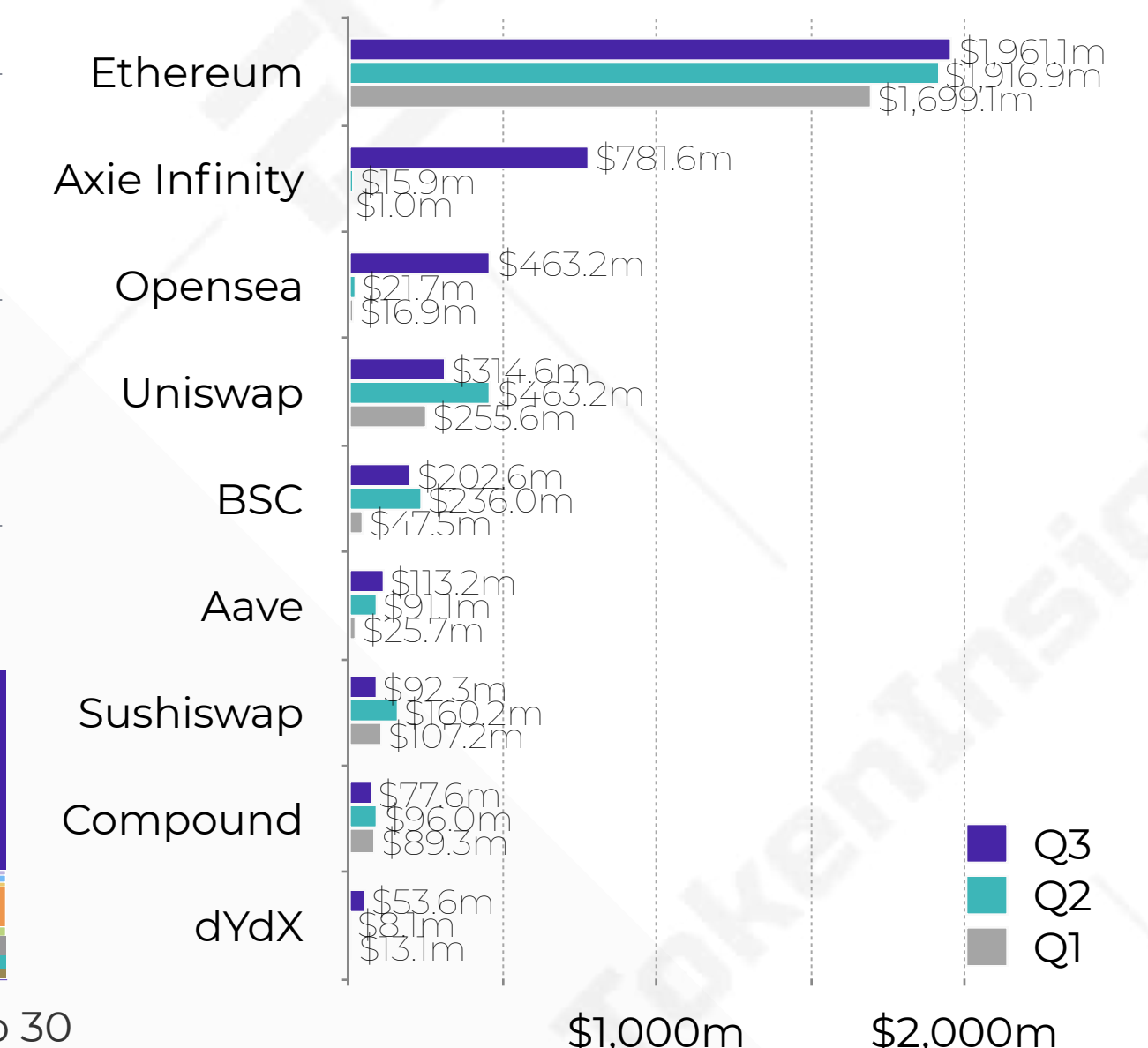
Ethereum Revenue Dominance Change



Top 10 Total Daily Revenue DeFi Projects



Top 10's Total Revenue's Change in 2021



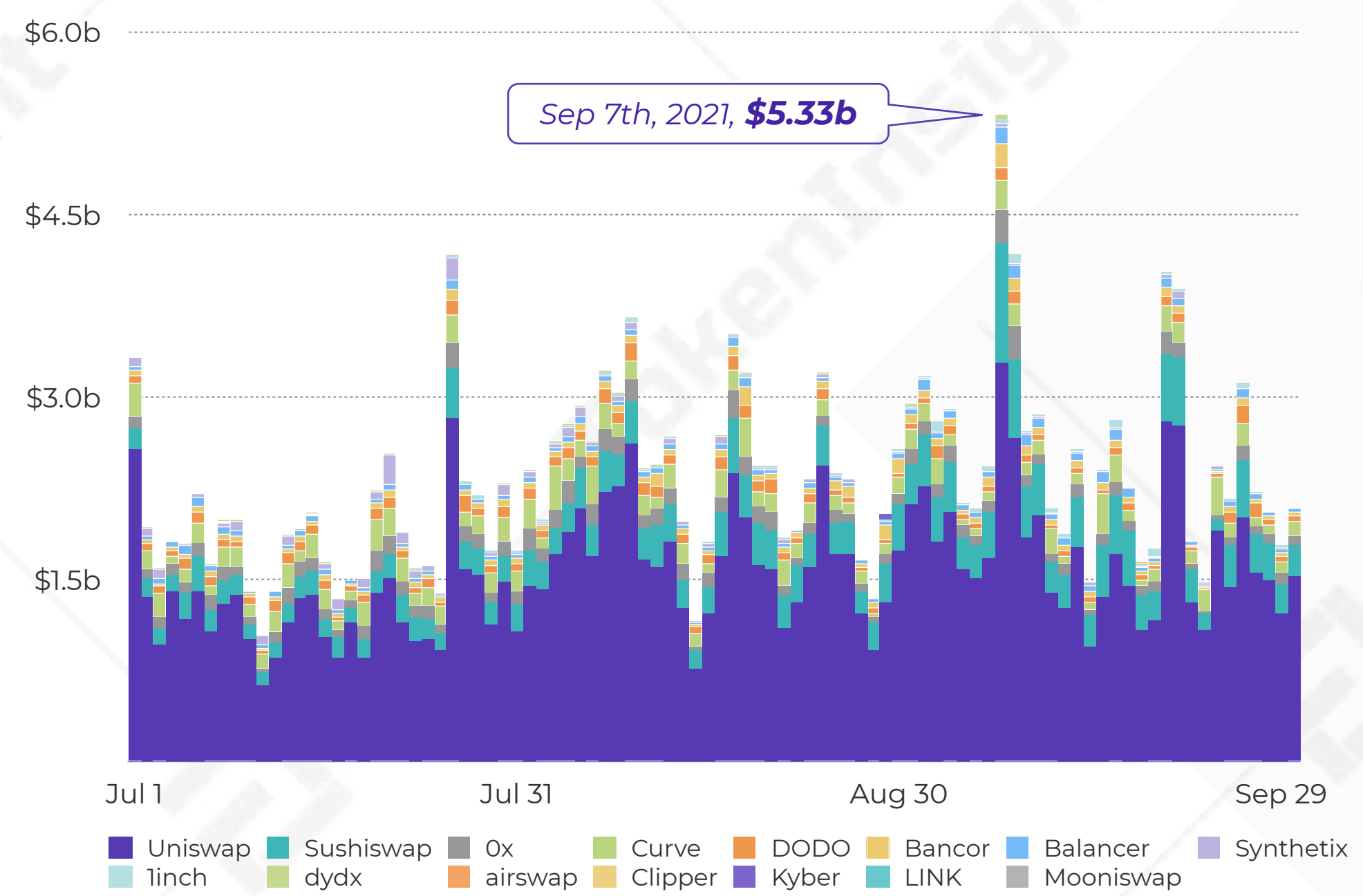


**DEXs**

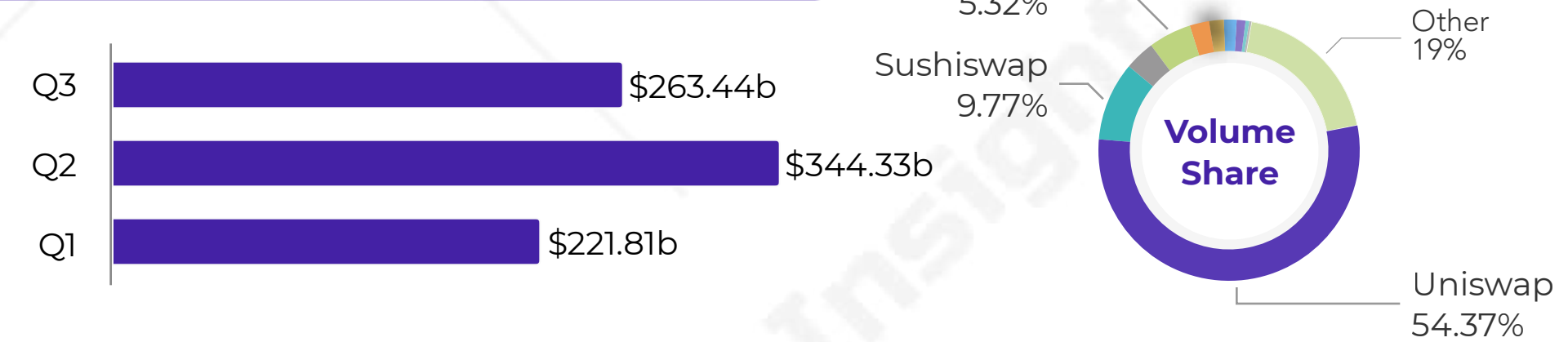
# DEXs on Ethereum

The total trading volume decreased 23% in Q3 2021. Most of the DEXs deployed on layer-2 projects like Arbitrum and Optimism. dYdX's trading volume increased 43 times!

Daily Trading Volume of DEXs in Q3 2021\*



Quarterly Trading Volume & Market Share in 2021



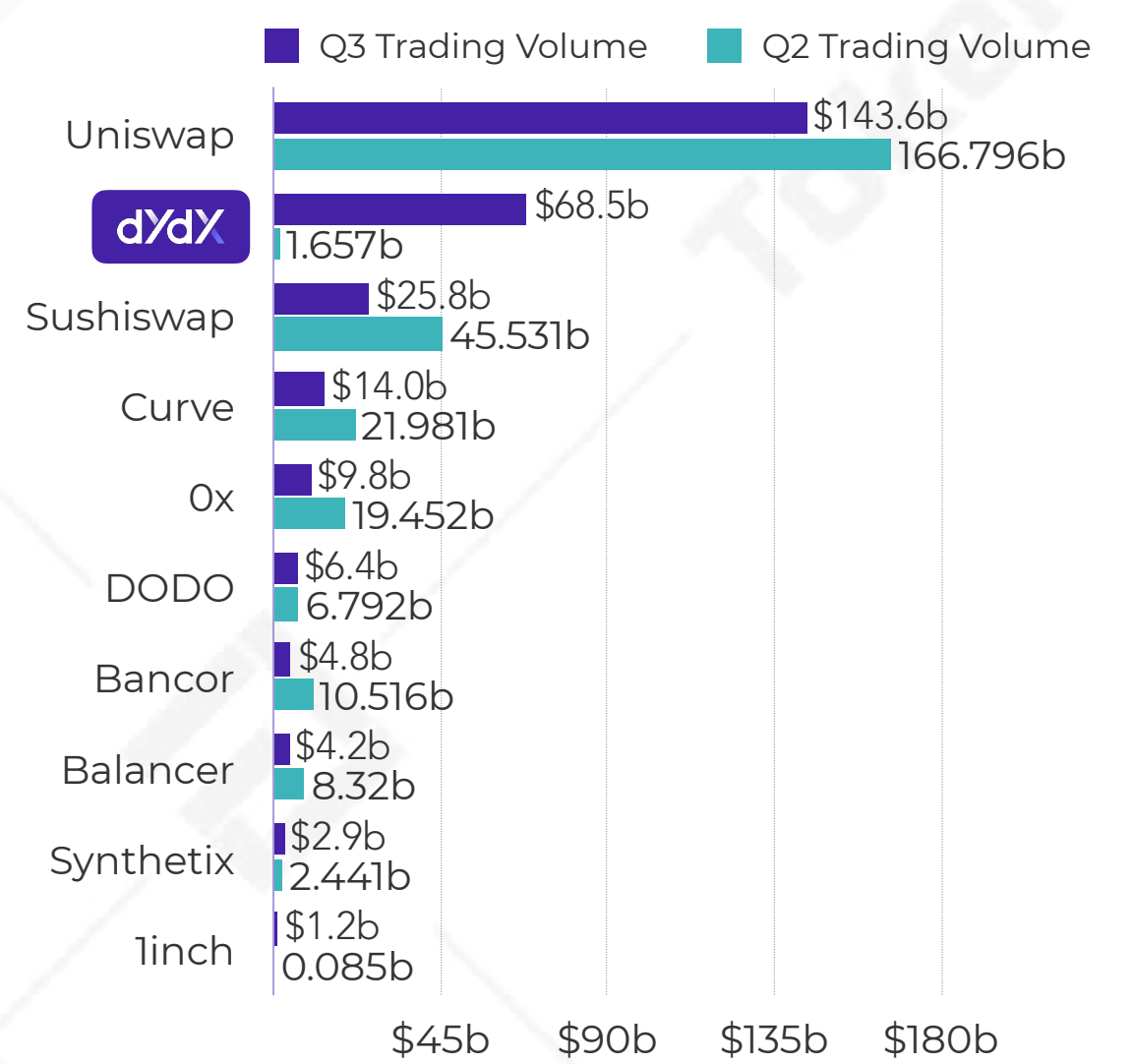
Total Trading Volume  
of DEXs in Q3  
~\$263.44b

-22.87%

\* Top15 DEXs accounted for 81.3%  
(\$214.1b) shares of the total volume.

- The total DEXs trading volume in Q3 dropped 22.9% compared with Q2.
- dYdX's trading mining program made its volume boosted to No.2, which is \$68.5b in Q3.
- Uniswap still dominated 54.4% trading volume among all DEXs, which is \$143.6b. Its volume dropped 13% compared with Q2.

Top 10 DEXs Trading Volume Change



Important Updates in DEXs during Q3

- dYdX started a 5-year trading mining mechanism on August 5.
- September 14th, **Curve Finance** announced deployment on layer-2 Arbitrum.
- September 19th, **Sushiswap's** co-founder 0xMaki announced no-longer be the CEO of Sushiswap and turned into an advisor role.
- September 22nd, **Uniswap** announced products updates.

\*Screening criteria: TokenInsight scanned and selected the top 15 volume Ethereum DEXs in Q3 2021 which dominated the market most.  
Source: Dune Analytics, TokenInsight. Date: 2021.09.30



# Non-Ethereum DEXs

Pancake still dominated, but trading volume shrunk 73%. Trader Joe’s TVL climbed to #2 among non-Ethereum DEXs.

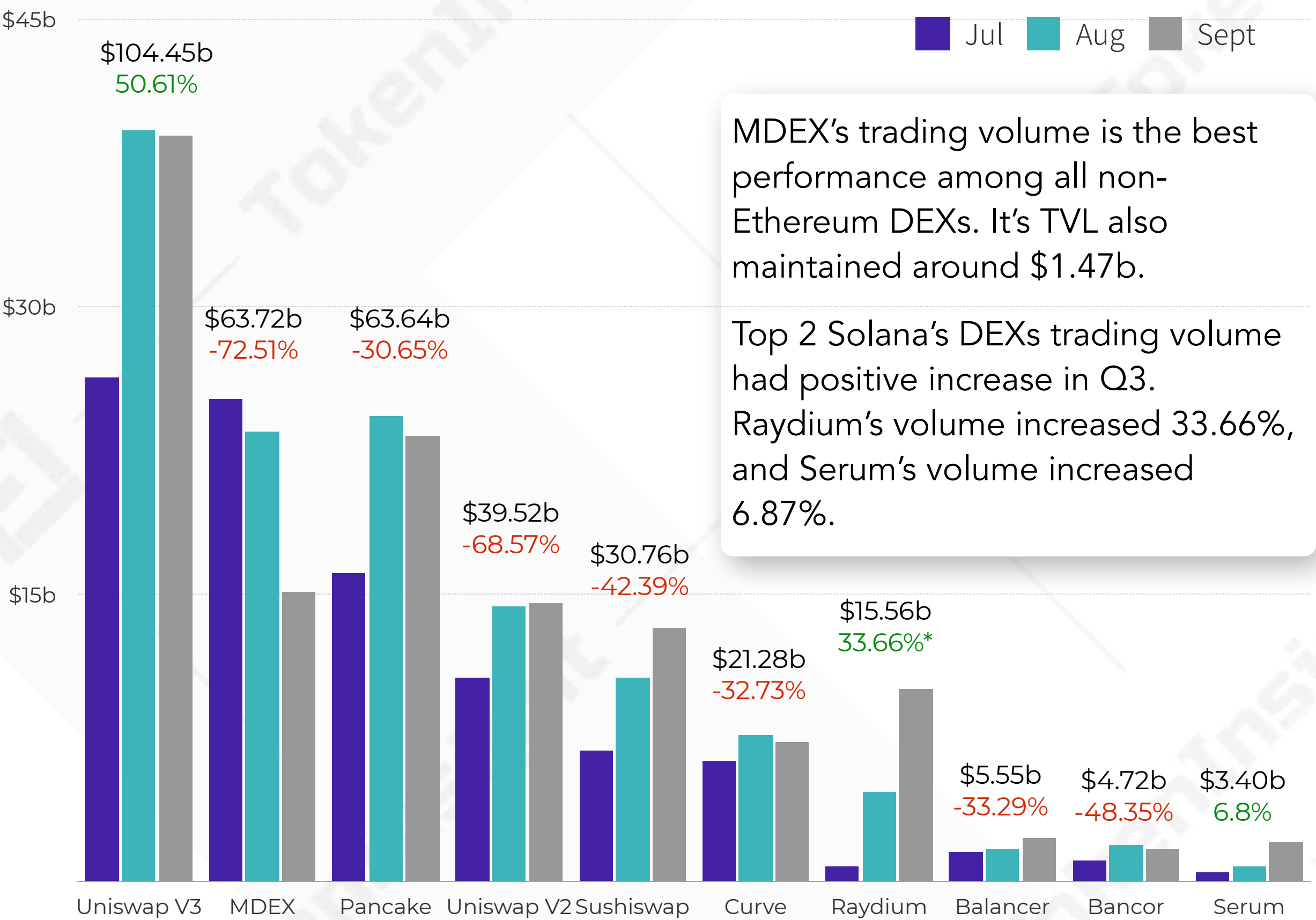
Among top performance DEXs that are not in Ethereum, PancakeSwap (BSC) have the most TVL, reaching \$5.41b.

Avalanche’s Trader Joe listed on the second, with TVL surpassing all Solana’s DEXs. It’s TVL hits \$2.23b in the Oct 2021.

Non-Ethereum DEXs Market Performance

DEXs	Ecosystem	TVL	Market Cap	Fully Diluted Market Cap
Pancakeswap	BSC	\$5.41b	\$4.74b	\$4.74b
Trader Joe	Avalanche	\$2.23b	\$215.35m	\$1.67b
Raydium	Solana	\$1.8b	\$767.41m	\$5.90b
JustSwap	Tron	\$1.57b	\$188.40m	\$825.21m
Serum	Solana	\$1.47b	\$1.03b	\$78.80b
MDex	Heco, BSC, Ethereum	\$1.41b	\$880.79m	\$1.22b
Terraswap	Terra	\$1.21b	-	-
Orca	Solana	\$1.18b	\$119.61m	\$1.27b
Quickswap	Polygon	\$696.82m	\$138.60m	\$418.72m
Pangolin	Acalanche	\$248.11m	\$27.04m	\$712.63m

DEXs Trading Volume Comparison



MDEX’s trading volume is the best performance among all non-Ethereum DEXs. It’s TVL also maintained around \$1.47b.

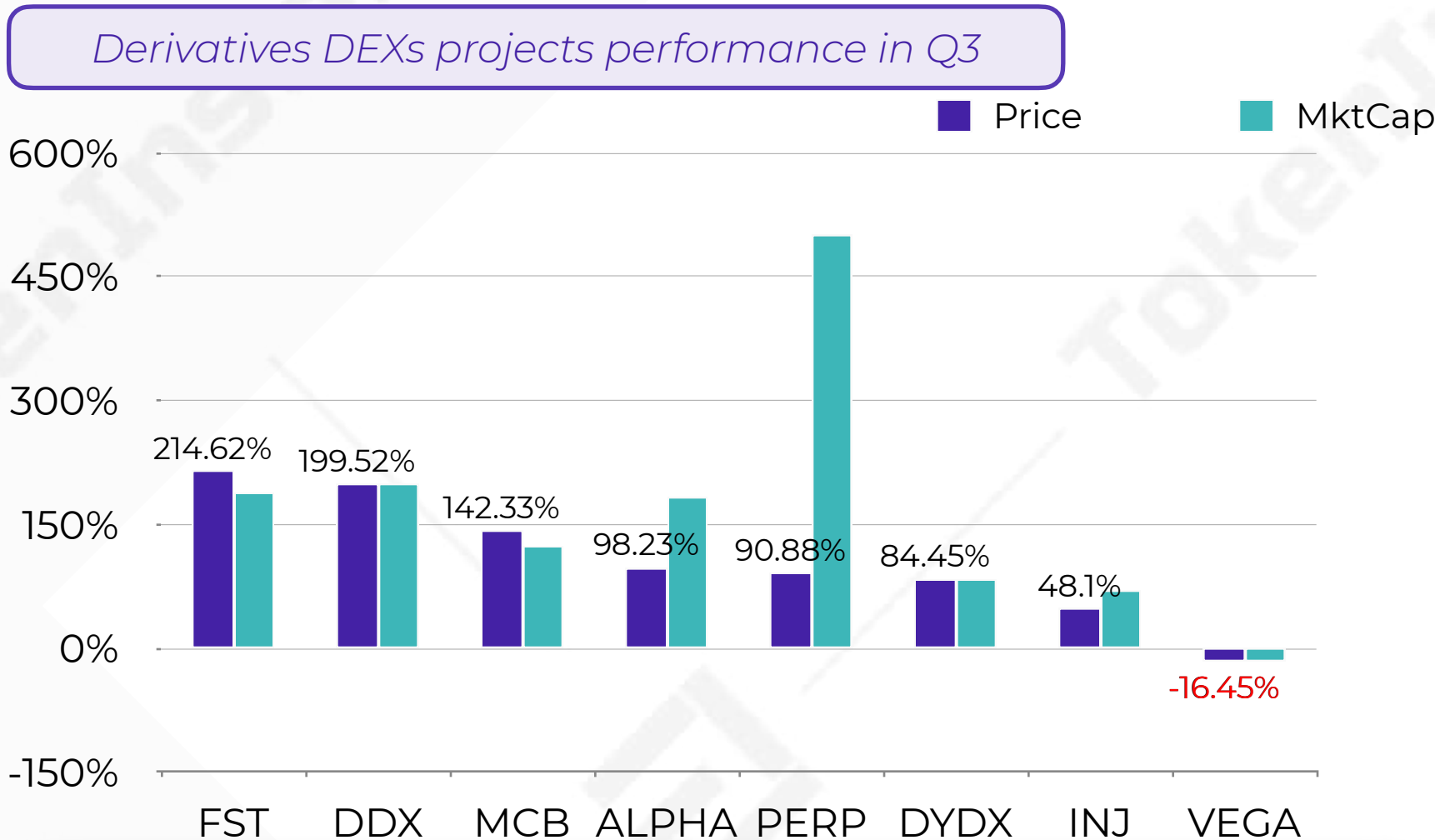
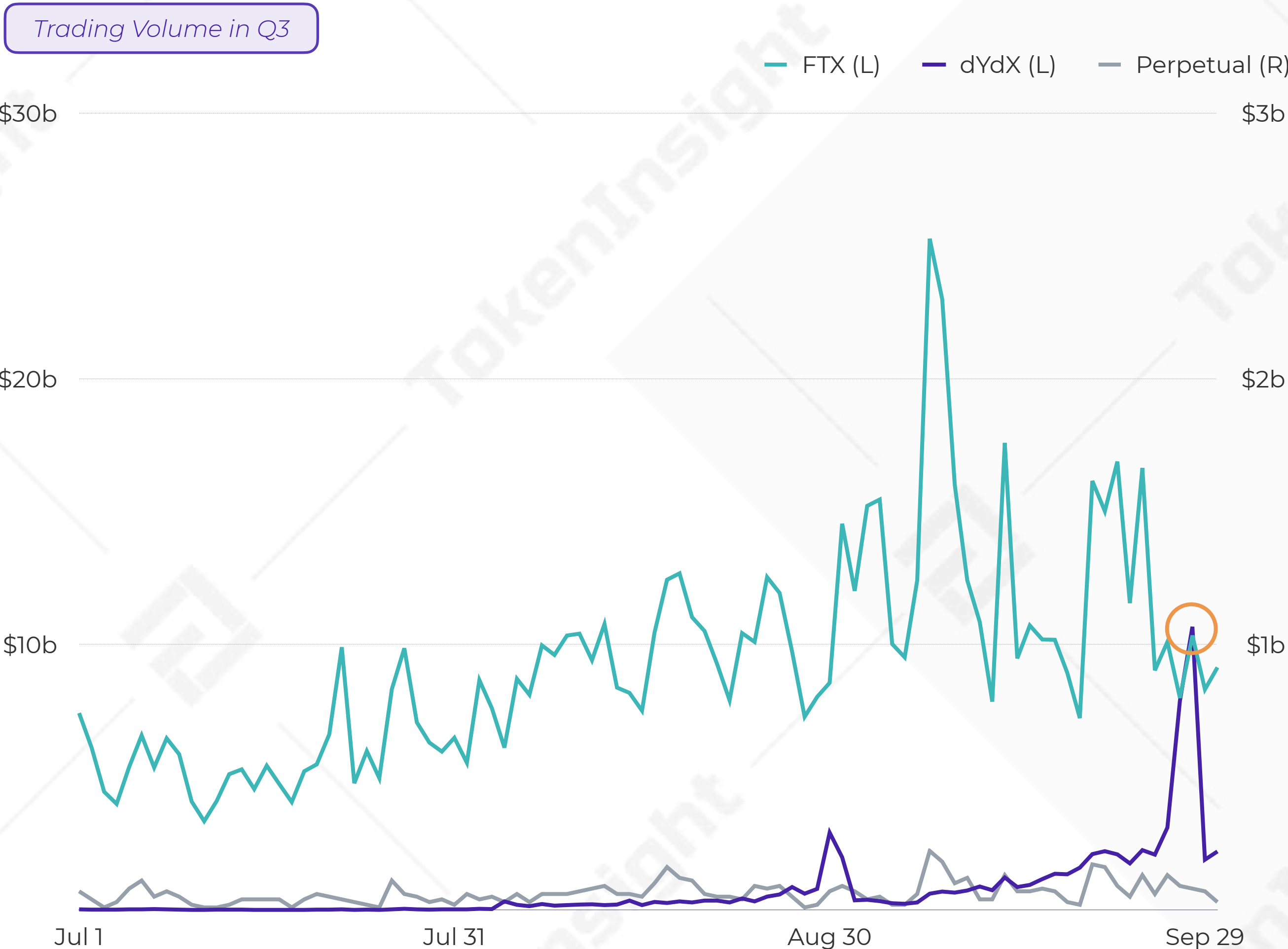
Top 2 Solana’s DEXs trading volume had positive increase in Q3. Raydium’s volume increased 33.66%, and Serum’s volume increased 6.87%.

\*The quarterly volume change of Raydium is for reference only since the trading volume between April 1st to April 13th is not available.  
Source: DeFiLlama, Honeyswap Analytics, TokenInsight. Date: 2021.10.21



# Derivatives Exchanges

The single-day trading volume of dYdX (\$10.67b) exceeded FTX on September 28.



- Derivatives DEXs saw a full-blown explosion, whose governance tokens and trading volume had a good performance.
- Derivatives DEXs' governance tokens saw varying degrees of gains. Among them, \$FST rose the most (214.62%). And \$VEGA rose the least (-16.45%). The main reason is that the pricing of adding liquidity of \$VEGA was too high, and there was not much progress in Q3 in terms of products. New token offerings included \$DYDX and \$VEGA.
- The top derivatives DEXs' trading volume rose sharply. The single-day trading volume of dYdX (\$10.67b) exceeded FTX on September 28. This is mainly due to the "high-yield" trading mining incentives.



# Derivatives Exchanges

Derivatives market are brewing. dYdX and Perpetual's Q3 Trading Volume reached \$78b.



**dYdX**  
Trading Volume in Q3:  
**\$68.49b**

- TVL: \$569.48m
- Total revenue in Q3: ~\$53.61m
- Unique Depositors in Q3: ~25k
- \$DYDX launched on Sept 9 and its liquidity was 5.6% as of Sept 30.
- dYdX started a 5-year trading mining mechanism on August 5. As long as the market price is higher than the cost of mining, it will continue to attract users to trade. And this trading mining mechanism provides a paradigm for the growth of trading volume of other derivatives Dex in the market.



**Perpetual**  
Trading Volume in Q3:  
**\$9.51b**

- Staking: ~\$547.08m
- Perpetual Protocol's product is currently live on the ETH mainnet and xDai Network, and will soon be live on Arbitrum.



**Tracer**  
TVL: **\$40.78m**

- Tracer's token, \$TCR, launched on Oct 5.
- Tracer Perpetual Pools launched on Balancer V2. Its leveraged tokens can be used for mining.



**Vega**

- Vega's main network will go live in Q4.
- There will be 2.5% of the total supply of \$VEGA (Price per token \$10) unlocked on Dec 2.



**MCDEX**

- MCDEX Launches \$3m trading and liquidity mining program on Oct 4.
- MCDEX launched on Binance Smart Chain on Sept 23.
- MCDEX V3 launched on Arbitrum One on Aug 18.



**AlphaX**

- AlphaX's public test network was live on Sept 30.
- Strike Token is a new on-chain derivative that mixes perpetual swaps and leveraged tokens. Strike Tokens are essentially synthetic assets, which based on Uniswap V2 for trading.



**Beta Finance**  
TVL: **\$109.93m**

Traders are able to short sell any crypto asset by using their ETH and/or Stablecoin as collateral. Beta provides an integrated "1-Click" Short that makes initiating and managing short positions simple.



**Injective**

Derivatives perpetuals trading went live on the Injective Canary Chain on Sept 2.



**Futureswap**

Futureswap V4 mainnet beta went live on Arbitrum L2 on Oct 14.





# Layer-2 & Other Smart Contracts Platforms

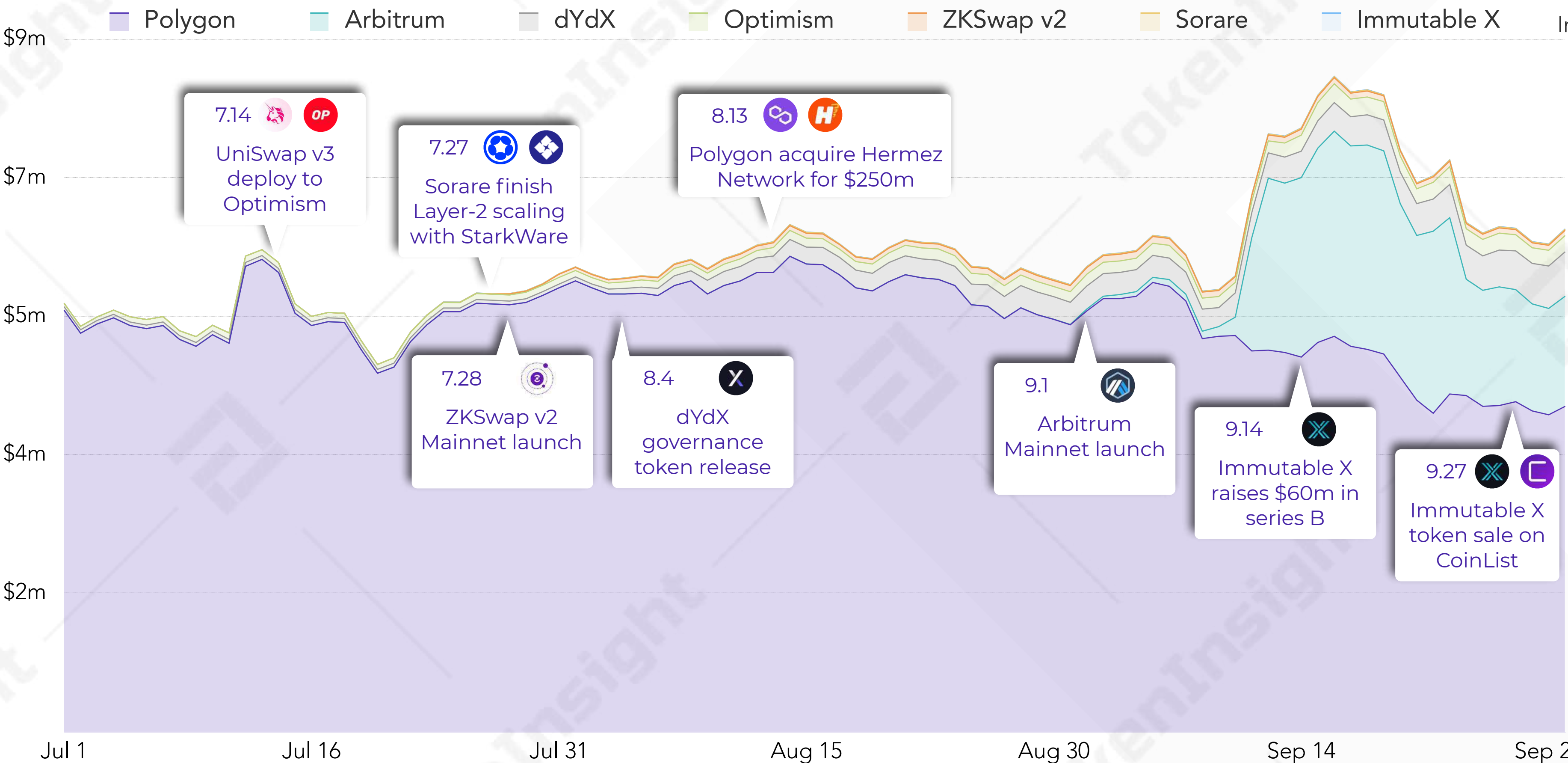


# Layer-2 TVL Performance

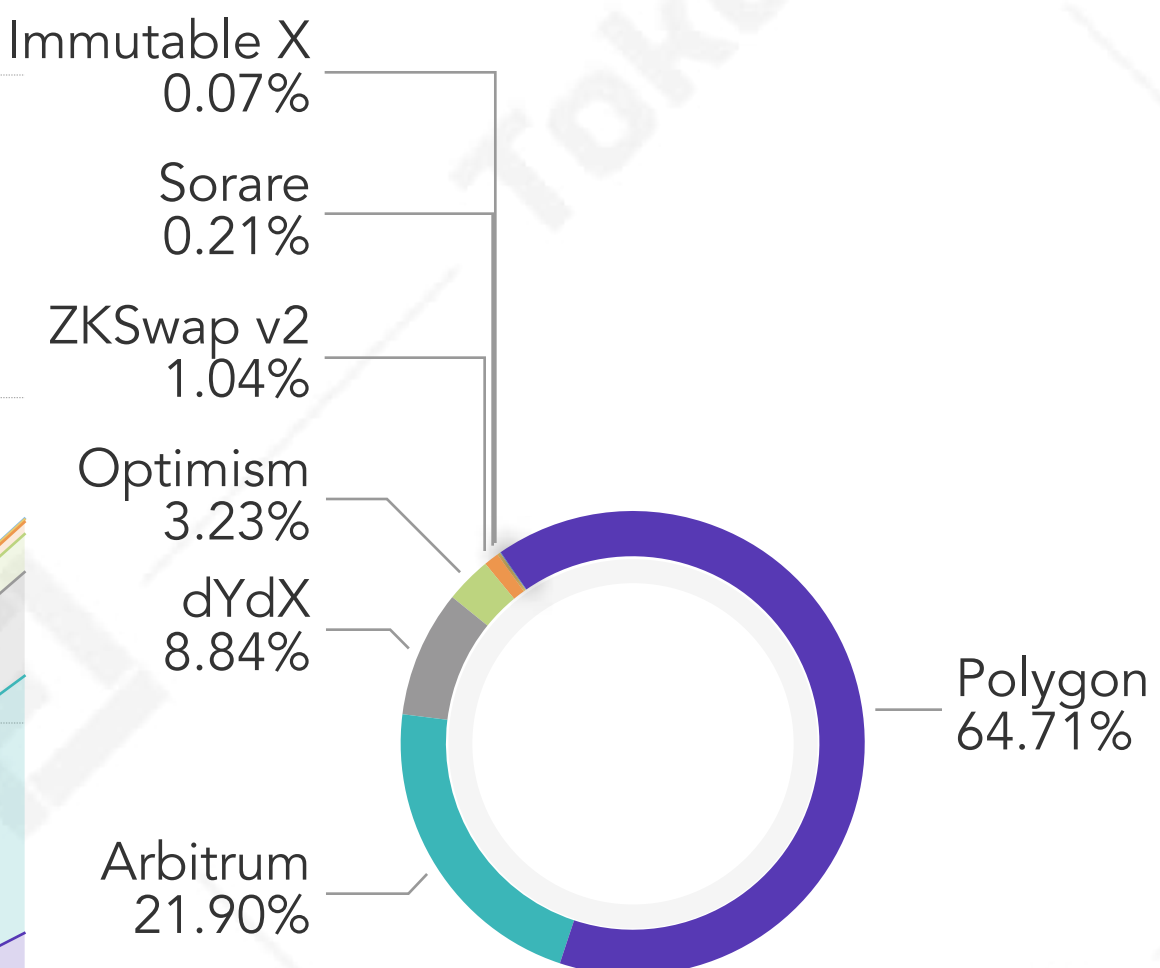
Arbitrum was undoubtedly the biggest dark horse in Q3, growing its TVL market share to 21.9% in September.

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TVL and milestone of main Layer-2 projects



Market share in TVL



TVL of main Layer-2 scaling solutions increased by 17.28% in Q3;

Polygon remains to be the highest Layer-2 solution in TVL, though its TVL dropped 22.87% in Q3.

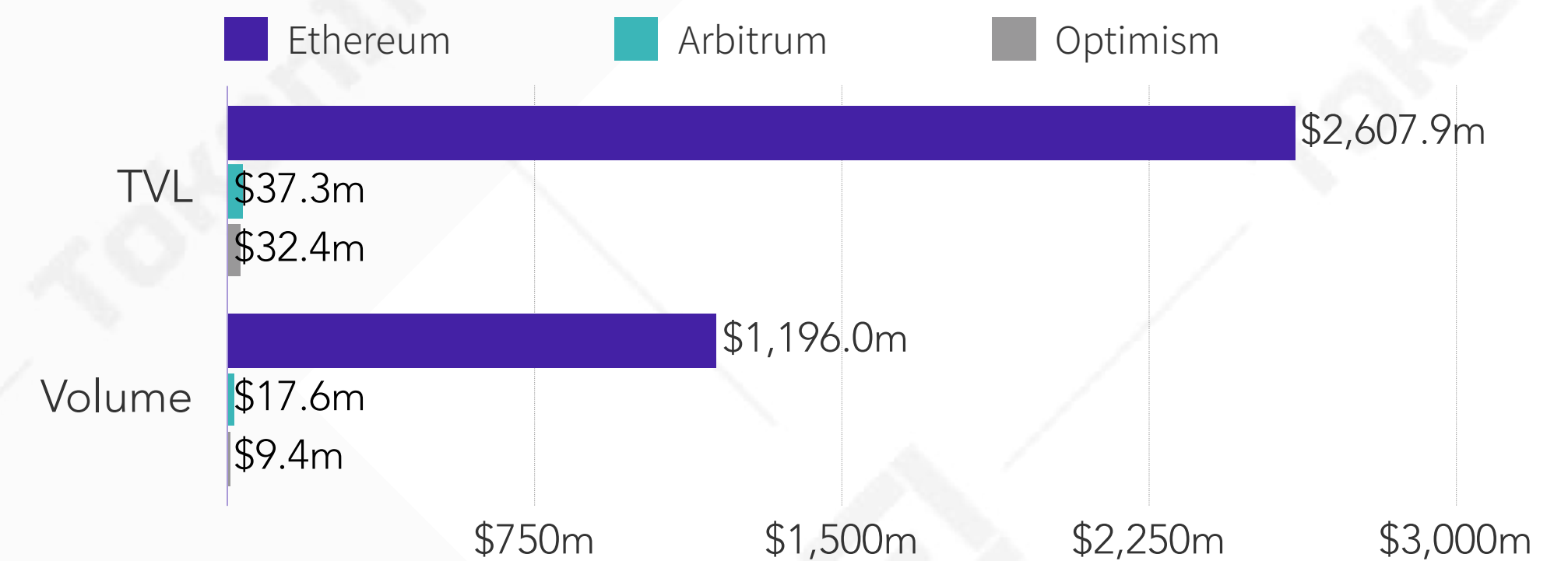
# Projects on Layer-2

*UniSwap v3 on Layer-2 has less than 3% trading volume on Ethereum.*

Top 10 Arbitrum projects in TVL on 9.30



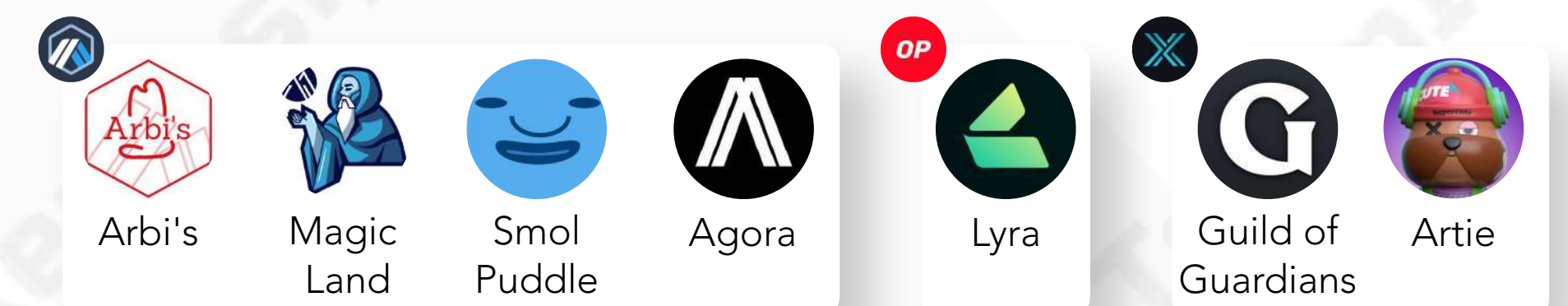
UniSwap v3 TVL & Volume on Ethereum vs. Layer-2



As of the end of September, the top 10 projects in TVL on the Arbitrum are all migrating from the Ethereum. Among them, DEX makes up the majority, with the rest of Lending and Cross-chain projects;

Compared to Ethereum, projects on Layer-2 is still at an early stage. UniSwap v3 for example, has less than 3% of the TVL and trading volume on Layer-2 than on Ethereum.

Noteworthy Layer-2 Native Projects





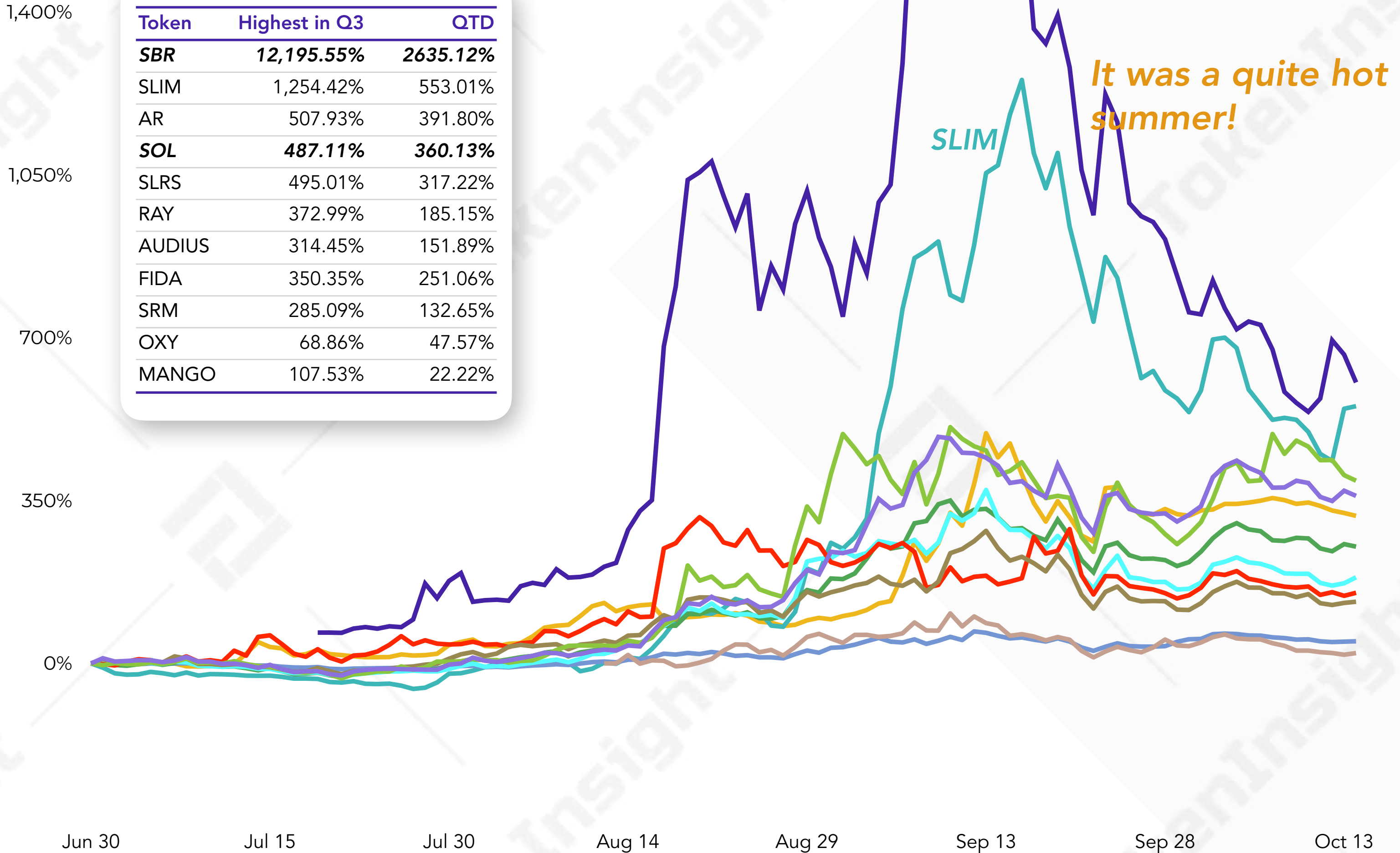


# Solana Summer

Major tokens on \$SOL Eco shared >100% boost, with \$SBR leading.

Solana Projects Token Price Performance

Token	Highest in Q3	QTD
SBR	12,195.55%	2635.12%
SLIM	1,254.42%	553.01%
AR	507.93%	391.80%
SOL	487.11%	360.13%
SLRS	495.01%	317.22%
RAY	372.99%	185.15%
AUDIUS	314.45%	151.89%
FIDA	350.35%	251.06%
SRM	285.09%	132.65%
OXY	68.86%	47.57%
MANGO	107.53%	22.22%



- JUL
- Port Finance Mainnet Launch
  - Phantom on Firefox
  - Marinade Devnet Launch
  - Permissioned Markets on Serum
  - Saber token \$SBR launched
  - Phantom closed \$9m funding
  - Saber closed \$7.7m seed funding
  - Hedgehog closed \$3.5m funding

- AUG
- \$MNGO launched with \$70m funding
  - Sunny Launched
  - Wormhole Cross-chain bridge launch
  - Phantom supported Solana domain names
  - Star Atlas IEO & IDO
  - Orca distributes its token
  - Ray listed on Binance
  - Solana ecosystem surpassed \$1b in USDC circulation
  - Solend minnet went live
  - Slope closed seed funding \$2.3m lead by Alameda Research
  - Apricot closed \$4m fundraising

- SEPT
- Mango Perps went alive
  - UXD closed \$3m funding lead my Multicoin
  - Lido finance supported \$SOL staking
  - Parrot finished its 2 rounds of IDO
  - Solana network went offline for 17 hours caused by DDoS attack
  - Orca closed \$18m series A funding
  - Social finished \$2.9m funding

# What to expect on Solana?

*A great number of projects are on the way.*



## Slope

Slope is a **mobile** DEX and wallet built on Solana. Investors of Slope includes Solana capital, Alameda Research, Fenbushi Capital and others.



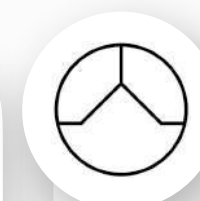
## Symmetry

Symmetry is an infrastructure protocol on Solana, providing features like DEX, portfolio management tool, and index creation. Token is not launched.



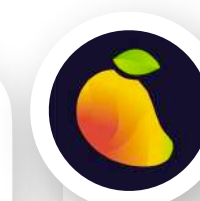
## Solend

Solend is an algorithmic, decentralized protocol for lending and borrowing on Solana. TVL is currently over \$200m without a token launched.



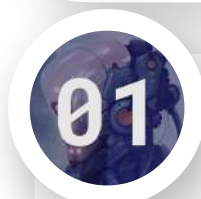
## UXD Protocol

Algorithmic stablecoin backed 100% by a delta neutral position using derivatives. Devnet released. 3% of tokens will be sold in a public sale.



## Mango Market

A derivative DEX on Solana providing perps trading. v3 is released and currently is the No.1 derivative DEX on Solana.



## 01 Protocol

Decentralized derivatives on Solana, providing binary and everlasting options trading products. Currently on devnet stage and not token launched yet.



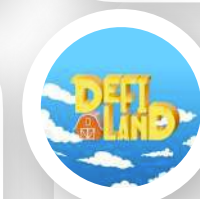
## marginfi

A decentralized margin protocol for trading across Solana. Marginfi tries to make it easy for traders to access margin, manage risk, and improve capital efficiency.



## Frakt

The first generative art NFT project built on Solana. Frakt provides a NFT launchpad, \$FRAKT staking, NFT Drops, DAO, and NFT fraction.



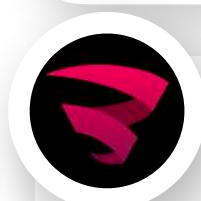
## DeFi Land

DeFi Land is a multi-chain agriculture-simulation web-game created to gamify decentralized finance. Mainnet launch and public token sale are set in the near future.



## GooseFX

GooseFX is a full suite DeFi platform built on the Solana blockchain and Serum DEX, offering a variety of unique decentralized peer-to-peer financial products.



## Burnt Finance

Burnt Finance is a decentralized auction protocol built on Solana. Burnt enables users to mint synthetics and NFTs while also providing them with an auction platform.



## Sonar

Sonar is an infrastructure type protocol built on Solana, providing a dashboard to help users track DeFi assets on Solana.



## PsyOptions

PsyOptions is an American style options protocol built on the Solana blockchain, with a central limit order book for physically-settled options. Its v1 mainnet has launched.



## Zeta

Zeta is a decentralized options trading platform. Binary options trading is live on its Devnet. Zeta is also integrated with Serum, and v2 for vanilla options will be launched soon.



## Orca

Orca is a DEX built on Solana. Orca's TVL has surpassed \$1b. It also just finished \$18m series A funding from Polychain, 3ac, Coinbase Ventures, and others.



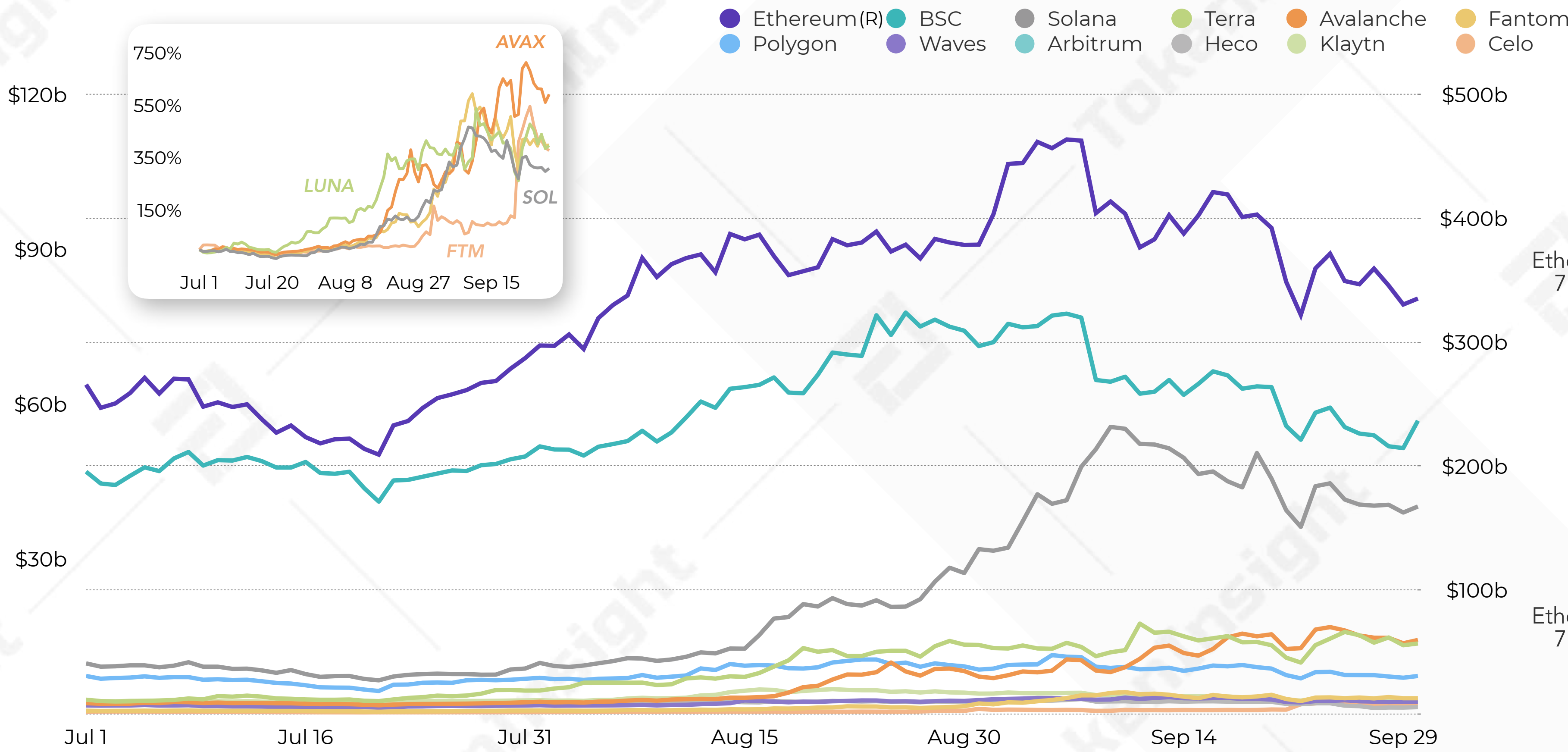


# Smart Contract Platforms

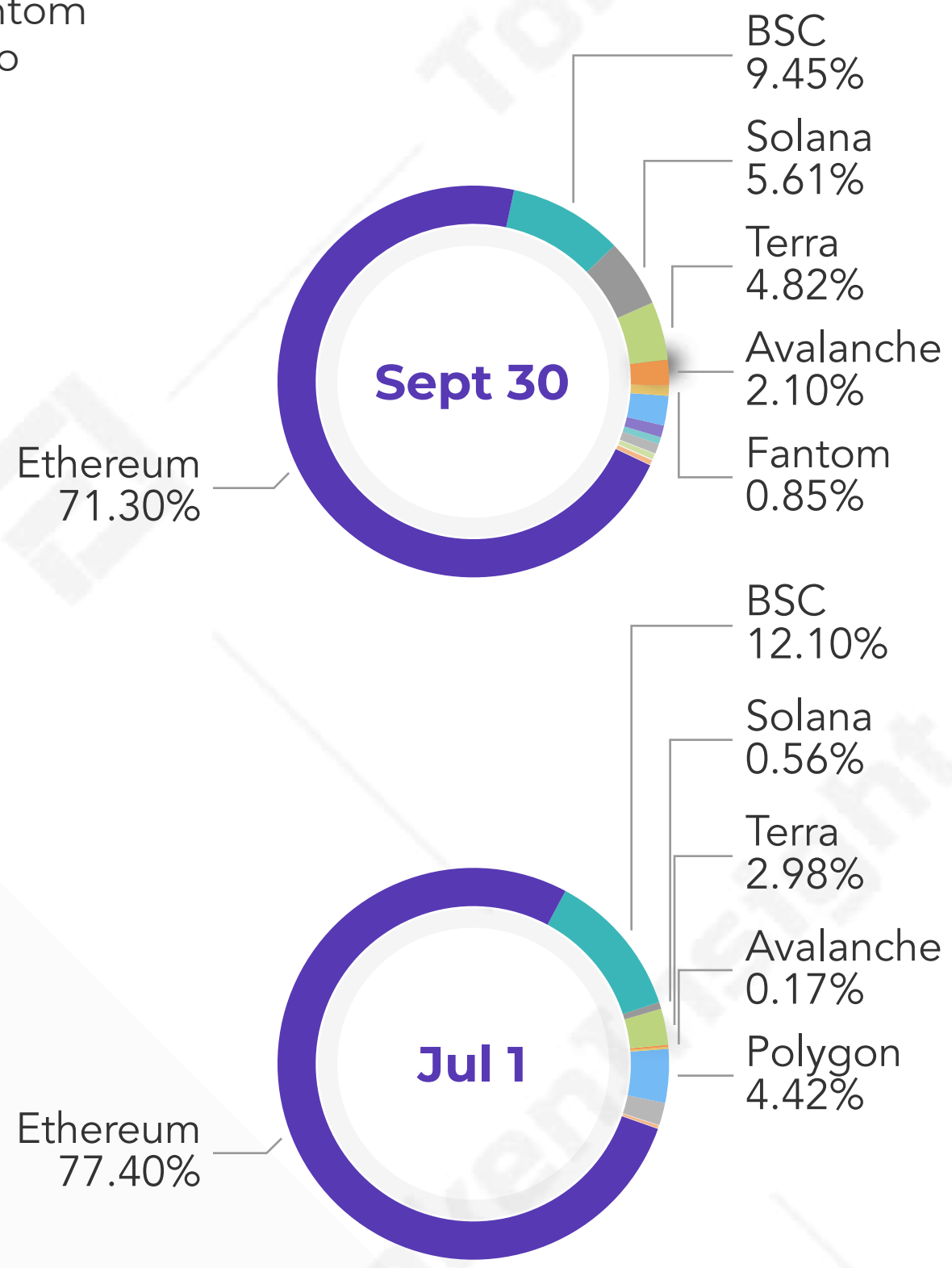
*The marketcap of SOL, LUNA, AVAX, FTM has increased by more than 3 times, while market share in TVL of these platforms grow.*

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Smart Contract Platform Token Market cap in Q3



Market share in TVL







# What to expect on Celo & Fantom?

Celo ecosystem is brewing fast, TVL of UbeSwao surpassed \$300m by the end of Q3.

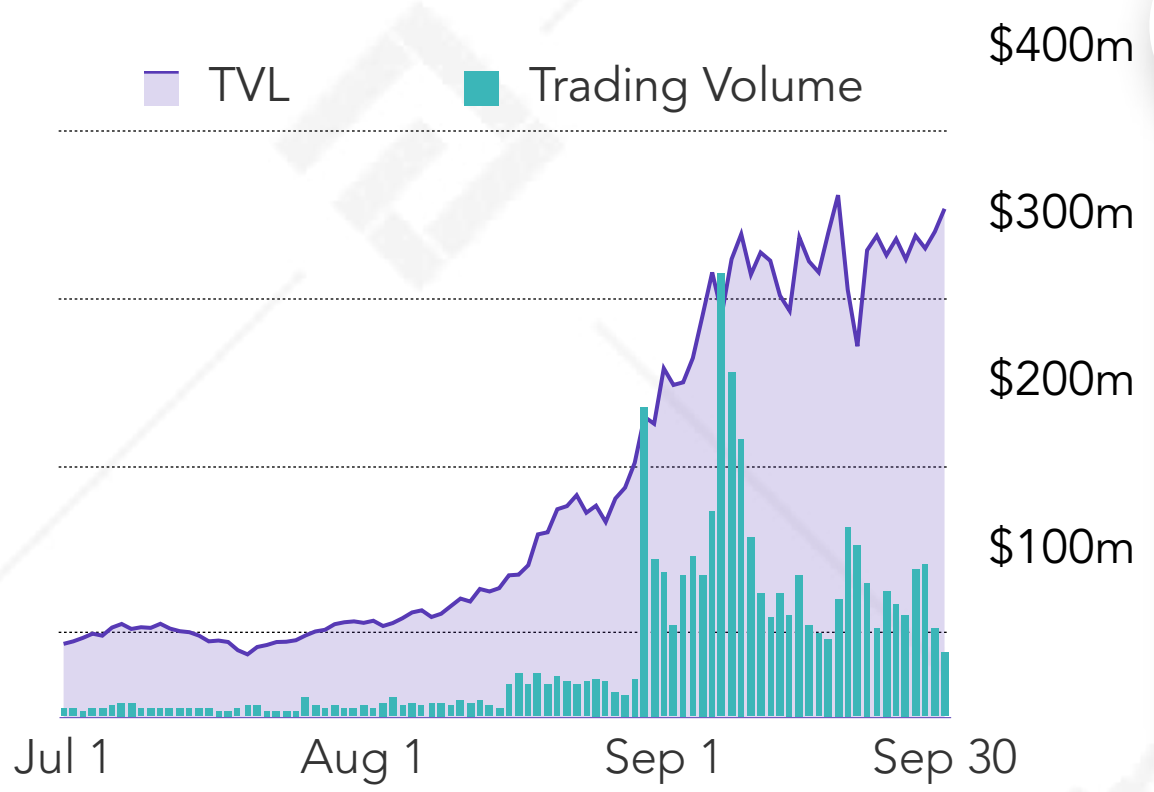
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## UbeSwap

UbeSwap is a native AMM spot DEX of Celo. Both its TVL and trading volume increased more than fivefold in 2021 Q3. A \$1.2 million seed round funding was just announced.

UbeSwap TVL & Trading Volume



## Moola Market

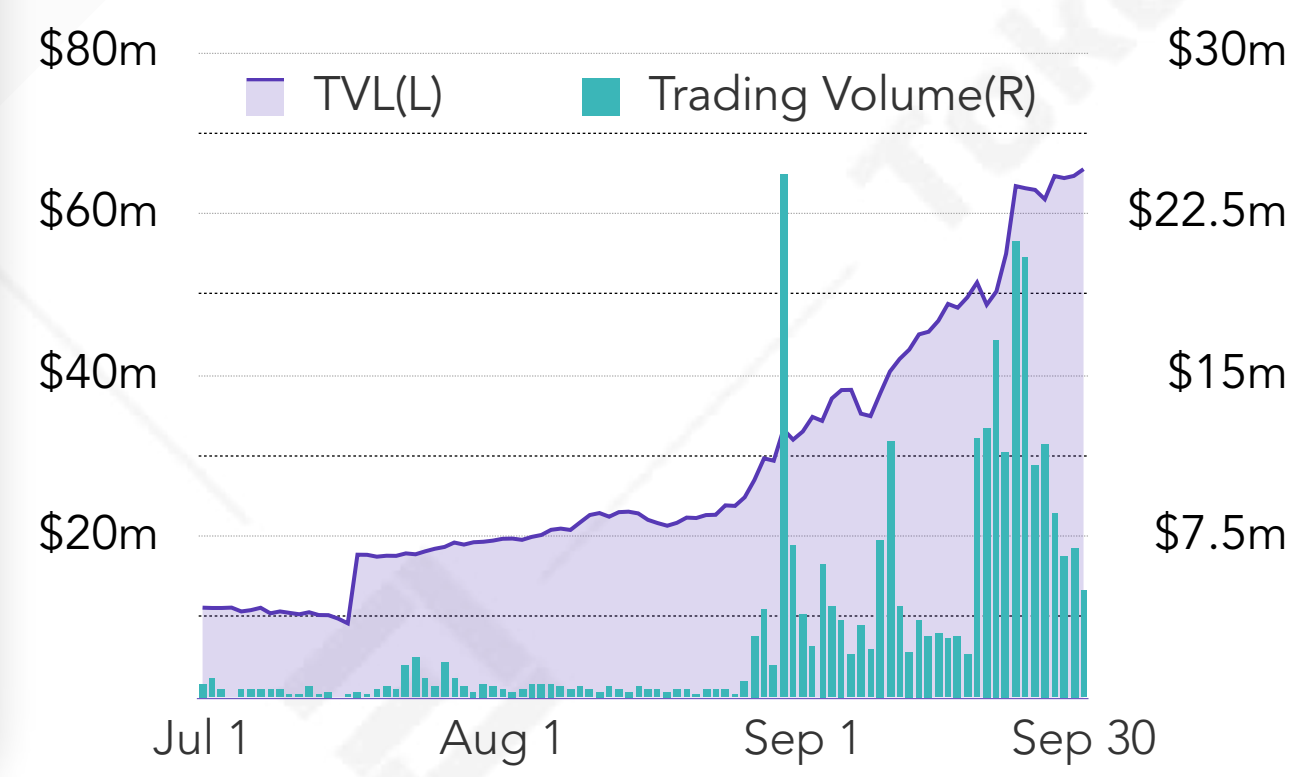
Moola Market is the largest Lending protocol in Celo ecosystem. By offering collateralized lending services on fiat collateralized stablecoins cUSD, cEUR and Celo native token CELO, Moola achieved more than 12x TVL growth in Q3 2021.



## SpookySwap

A native AMM spot DEX of Fantom. Its TVL, as well as its trading volume, increased approximately sixfold in 2021 Q3. It also Integrates with AnySwap to provide users with cross-chain services for assets.

SpookySwap TVL & Trading Volume



## Mobius

Mobius is a stablecoin DEX on Celo, also provides exchange services for cross-chain assets and Celo local assets. Mobius was officially launched on September 17. And by September 30, its TVL have reached \$37.64m.



## Scream

A native Lending protocol on Fantom. It provides collateralized lending services for 12 digital assets including BTC, ETH, USDC. Since going live on July 16, Scream's TVL has gradually grown to \$164.74m on September 30.



## Robo-Vault

A native Yield Aggregator in Fantom ecosystem. By integrating Scream - the Lending protocol on Fantom, it helps users to get optimum liquidity mining yields on DEX of Fantom ecosystem such as SpiritSwap, SpookySwap, etc.



# What to expect on Avalanche & Terra?

A great number of projects are on the way.

## Avalanche



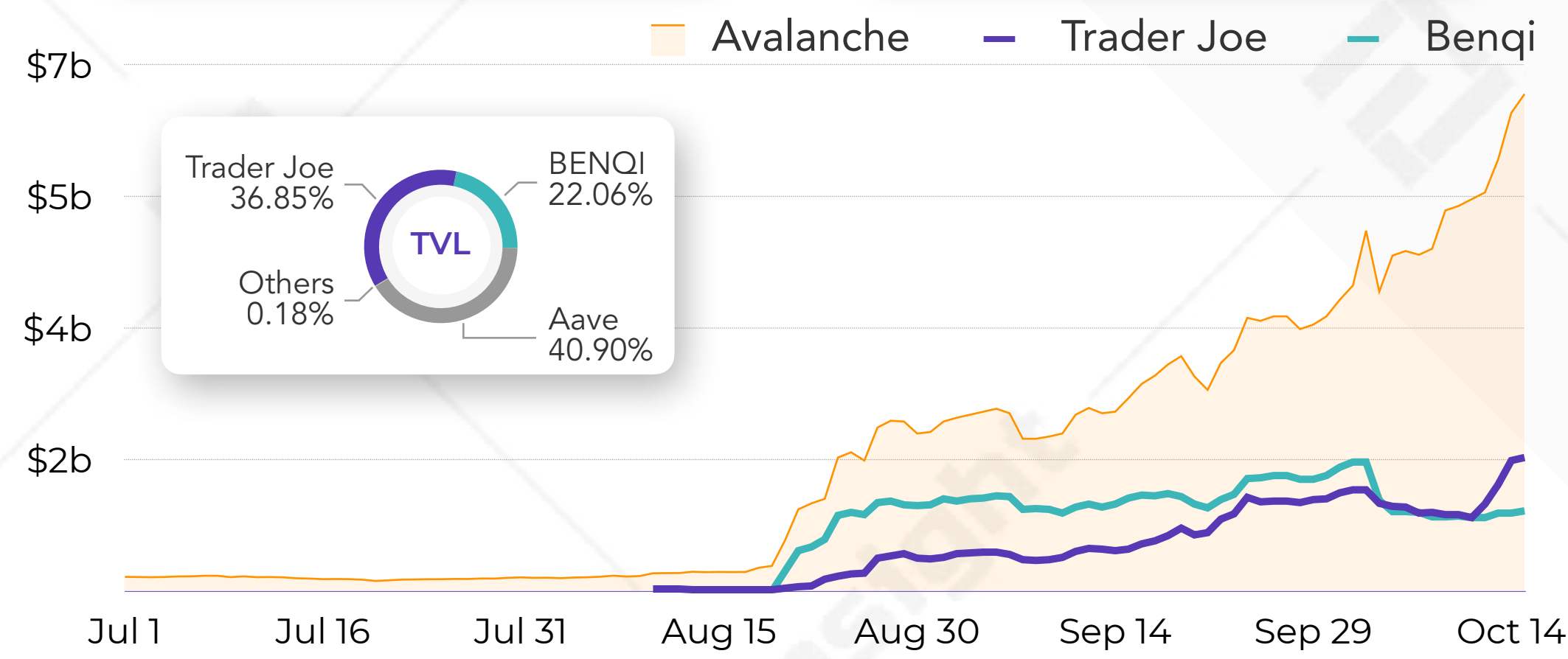
### Trader Joe

Trader Joe is a decentralized trading platform on the Avalanche, combining Trading, Lending, Yield Farming, and Staking. Trader Joe has raised \$5 million in Sep. The TVL of Trader Joe is currently over \$1.7b.

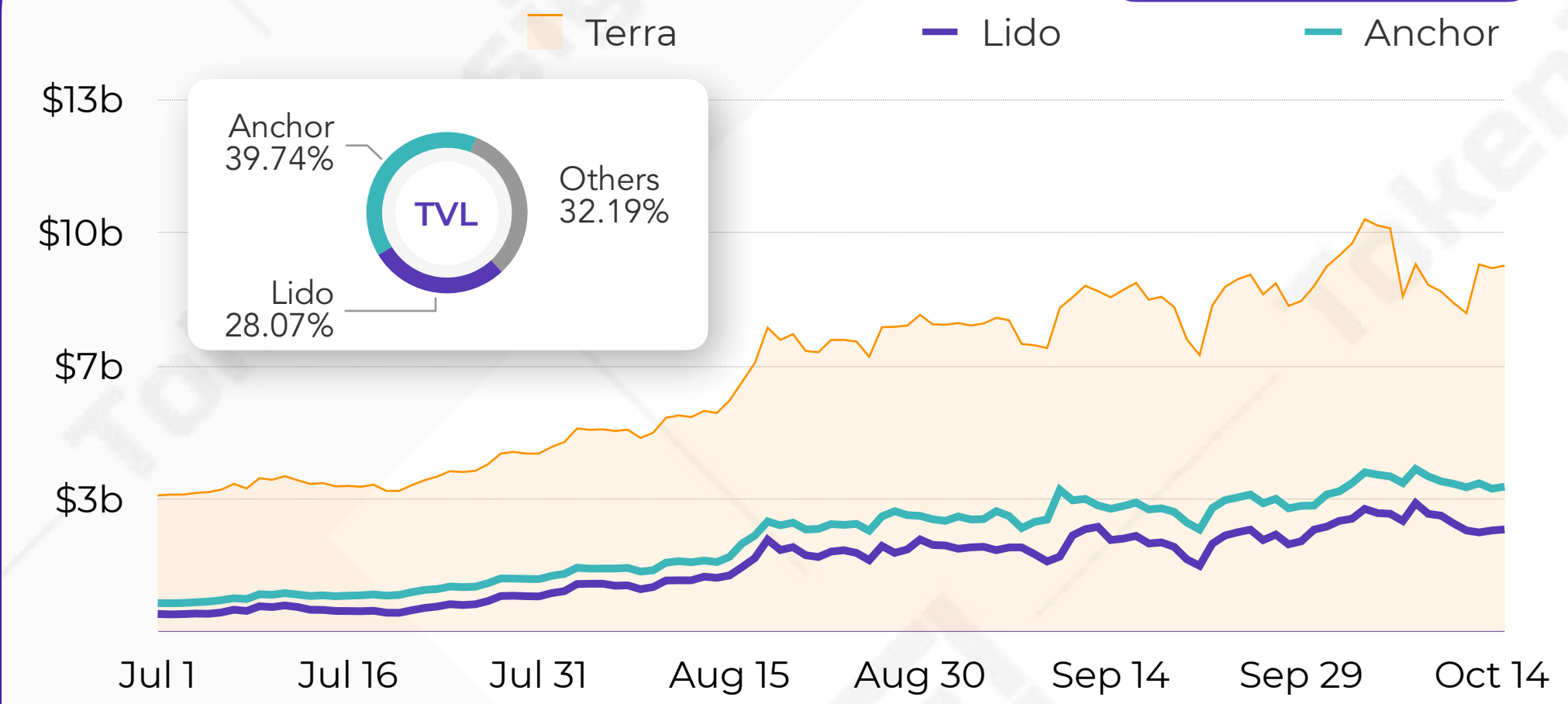


### BENQI

BENQI is a lending protocol on Avalanche. BENQI launched on August 19th, while lending and borrowing assets were enabled. TVL is currently over \$1b ranking 8th among lending protocols.



## Terra



### Anchor

Anchor is a fixed income and lending protocol on Terra network. Anchor supports depositing stablecoins issued on Terra to earn fixed-rate income. TVL grew by more than 3 times in Q3.



### Lido

Lido is a staking protocol for Ethereum and Terra. Lido provides LUNA liquid staking and staking rewards on Terra, enabling stakers to receive liquid bLUNA (bonded LUNA) token. bLUNA is available as collateral on Anchor.



# Other DeFi Sectors





# DeFi 2.0, 3.0, 4.0... 10.0... 100.0



## Liquidity as a Service brings higher capital efficiency.

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.

### Liquidity as a Service

The old fashion of Liquidity Mining / Yield Farming is not sustainable because of the high cost and IL. Capital in DeFi is expensive and mercenary, looking for highest places. Liquidity as a Service (LaaS) is coming to (try to) solve the problem.



#### Olympus DAO - Forever liquidity own by the protocol itself

\$OHM was sold to holders in exchange of their LP tokens / stables with a discount (bond), thus, the liquidity is then owned by Olympus. Revenue is generated from trading fees and most of them are distributes to \$OHM stakers. Since Olympus owns the liquidity, it also bears the IL.

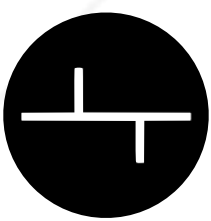
#### Olympus Pro - Expand liquidity provisioning to a wider DeFi space

Bond is not limited to \$OHM any more, instead, any projects can sell their native tokens with a discount and get the LP token or stables. A innovative way to support tokens' liquidity without worrying about users' dumping after mining profit decreasing.



#### Tokemak - A decentralized market maker for liquidity provisioning

Tokemak works as a decentralized market maker for other protocols in terms of liquidity provisioning. It is more like a *short-term favor* that helps protocols to bootstrap liquidity, especially for early projects. Its token \$TOKE, by voting, finds the avenues to distribute the liquidity and collect trading fees. While like Olympus, Tokemak itself also bear the IL.



#### Ondo Finance - A new & cheap solution open to DeFi tokens to get liquidity

Ondo Finance also works with FEI protocol, an algorithm stablecoin to provide liquidity provisioning service. It is similar to Tokemak that is low cost and IL free. FEI will provide stablecoin and projects who what the service provide native tokens. Ondo will do the rest of the work. When the service is over, stablecoin goes back to FEI, and native tokens go back to projects. FEI will charge a fixed fee for providing service. Trading fees and IL get back to projects themselves.

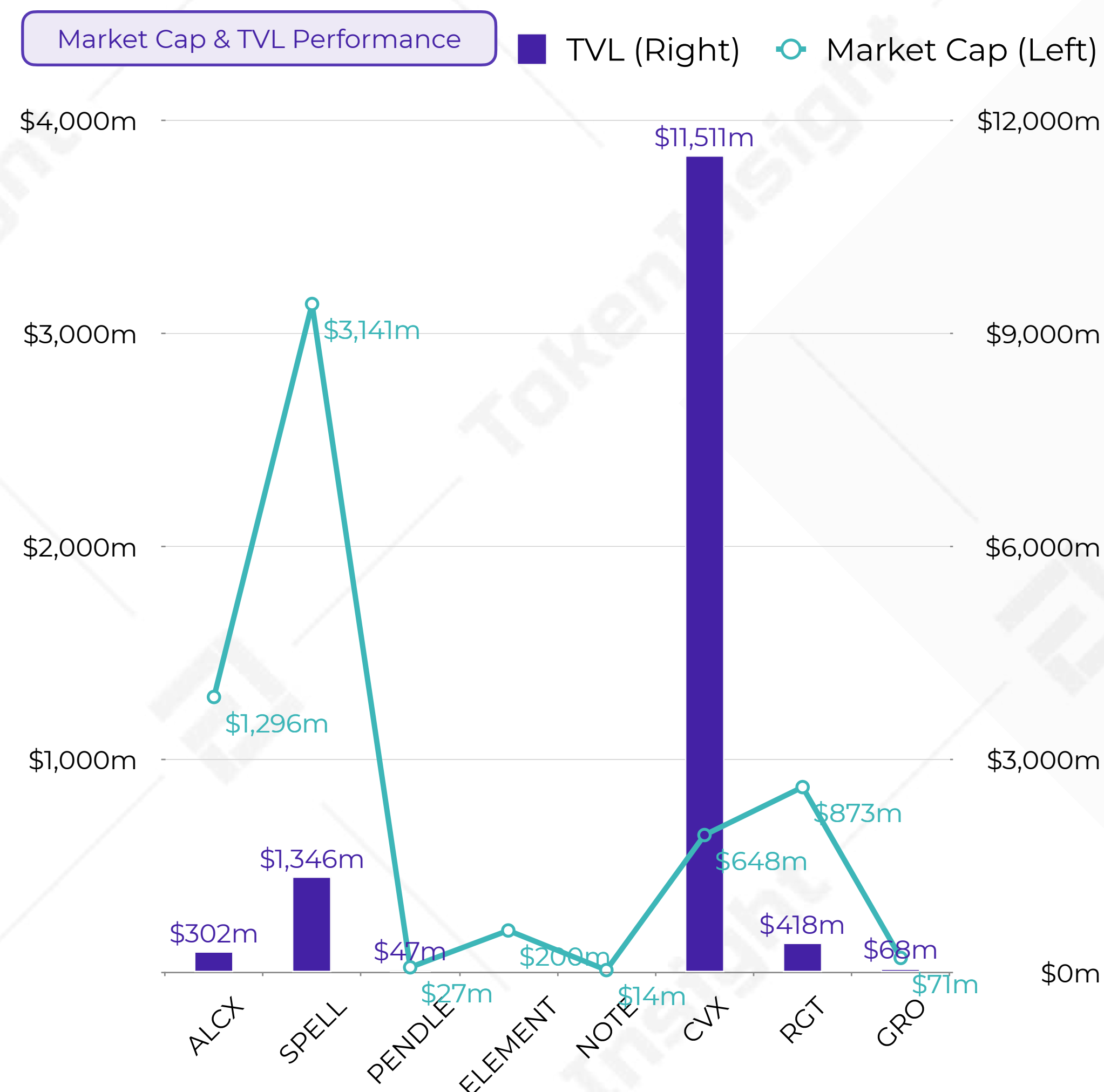
Protocols	Olympus	Tokemak	Ondo
Market Cap	\$2,602m	\$301m	-
Fully diluted valuation	\$3,220m	\$5,598m	-
TVL	\$464m	\$449m	\$35m
Twitter Followers	59k	18k	4.9k
Discord members	31.2k	10.8k	1.76k



# DeFi 2.0, 3.0, 4.0... 10.0... 100.0

## ALCX SPELL PENDLE ELEMENT NITIONAL CVX RARI FRAX

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.



### Alchemix (\$ALCX) - Auto-repaying loans

Alchemix allows users to release assets' future yield by issuing synthetic tokens \$alUSD/\$alETH. Assets deposited will be stored in other protocols to generate yield and repay the loans.

### Abracadabra (\$SPELL) - Another way of issuing crypto native stablecoin

Abracadabra is similar to Alchemix, except that, Abracadabra accepts interest bearing token like yvFI, yvUSDT, and others, and then issues a stablecoin: \$MIM.

### Pendle (\$PENDLE), Notional (\$NOTE), Swivel, APWine (APW) - Separating interesting bearing token into to principle token and yield token

Different protocols have different names for tokens that been separated. But in general, there are all about making the future yield cashed out at present. Different protocols have different methods to price the yield tokens (AMM with time-depreciation price for yield tokens, AMM with time-appreciation price for principle tokens, or order book type and letting the traders to decide the price). Fixed interested is achieved by those method.

### Rari Capital protocol (\$RGT) - Allowing anyone to create lending and borrowing pools

Rari Capital protocol expands the lending market further. It provides a framework to allow any to create separated lending and borrowing pools and allow anyone to interact with pools. A DIY market for users to free their altcoins' liquidity, making shitcoins less *shitty*.

### Gro (\$GRO) - Separating yield pool into two and using one to cover another one

Gro is a passive yield optimiser built on top of protocols like Aave, Compound, Convex, and others that which is open for users to earn with their stablecoins. Two options are open for users and one is leveraged with another's fund (higher return), and the second one is safer (lower return) because the first one takes the risk.

### Convex - Realizing the synergies of different DeFi users

Convex realized the yield optimization for multi-parties, which collects the reward and options from Curve LP holders and CRV holders, and redistributes the reward between them.

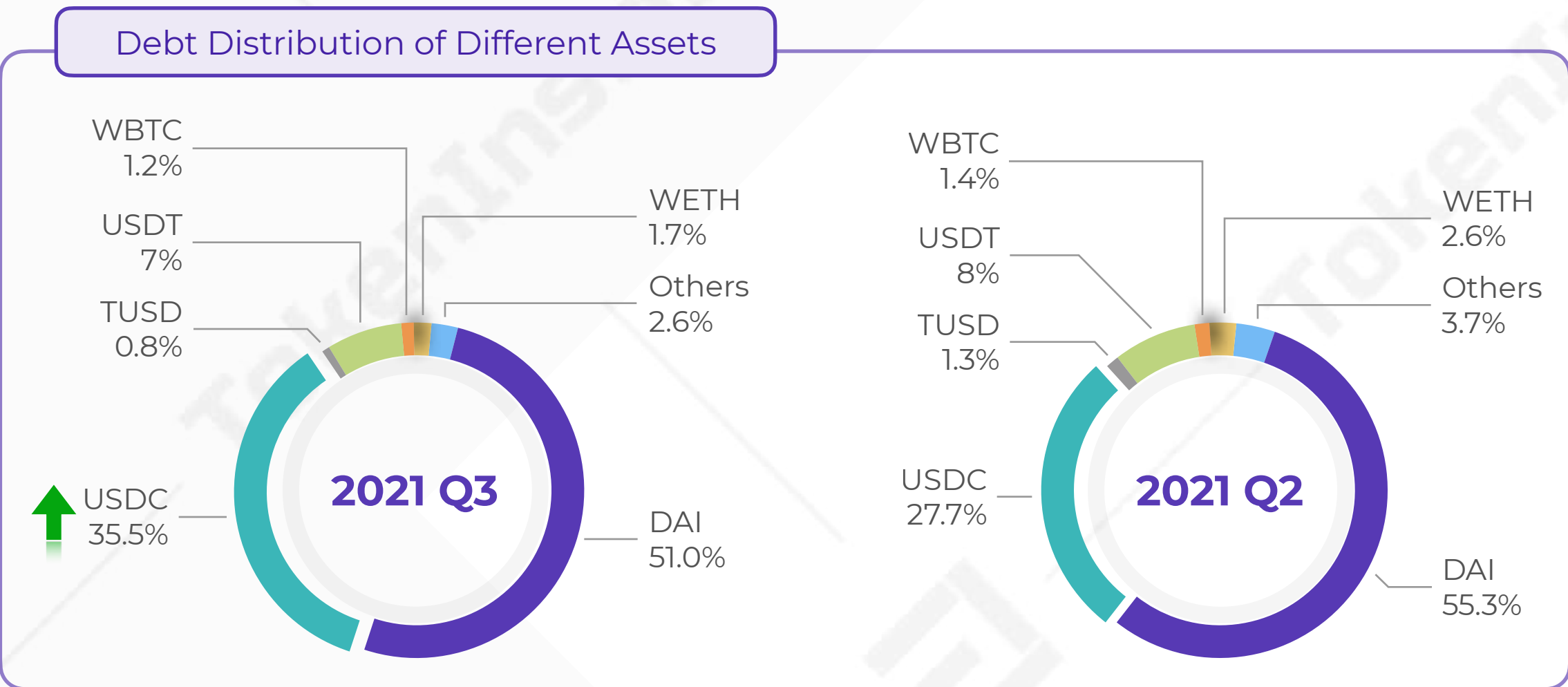
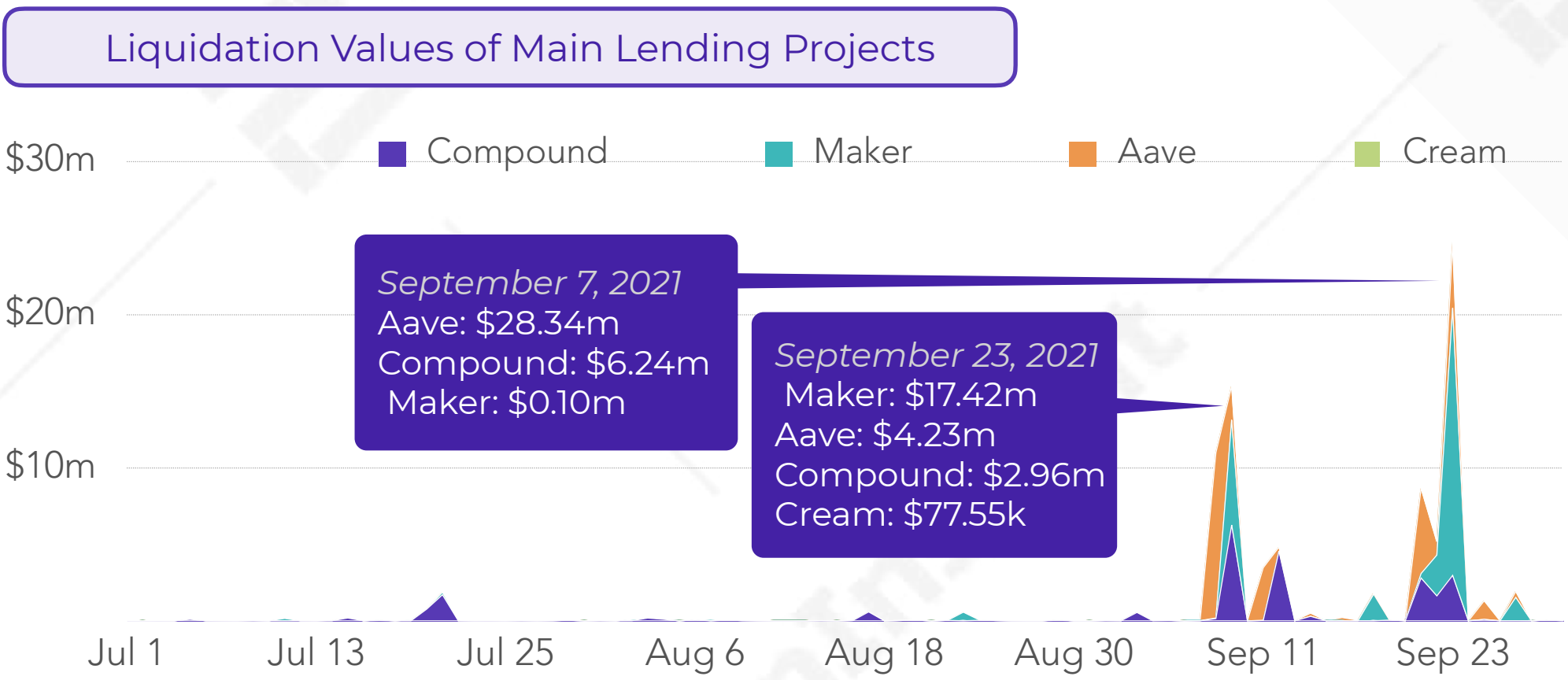
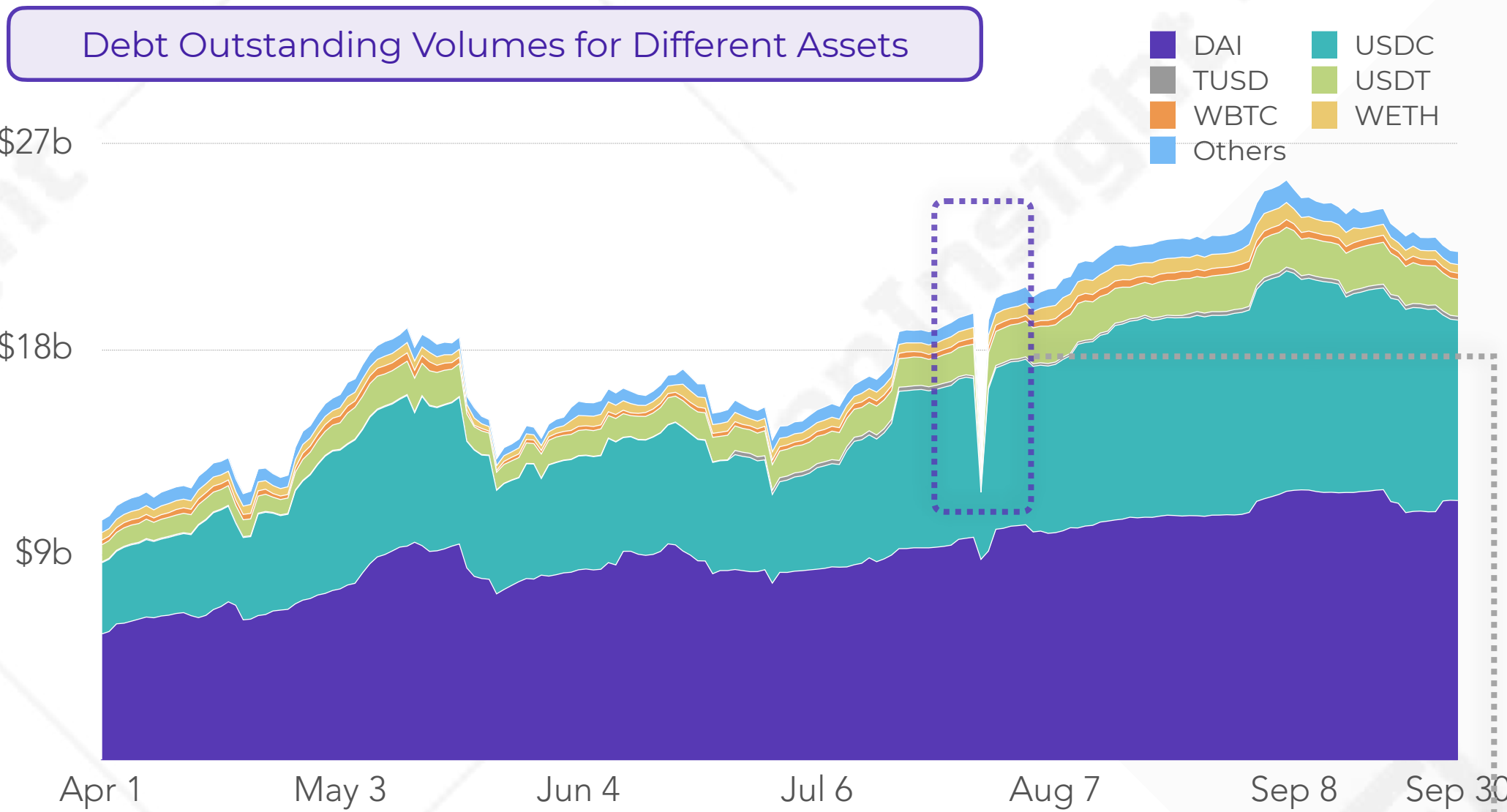




# Float Interest Rate

## USDC Captures More Share of DeFi Lending Market.

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.



Compared to the last quarter, the debt supplying of the DeFi market went up about 60.23%, from 13.673 billion to 21.908 billion, which indicates *the progressive growth of the market*.

\$USDC is still the second-largest asset for the lending market. However, *its share of debt outstanding volume is increasing* (from 27.7% to 35.5%), and *the gap between its share and that of \$DAI is decreasing*. With the development of the long-tail assets debt market, the Others also gradually grow this quarter.

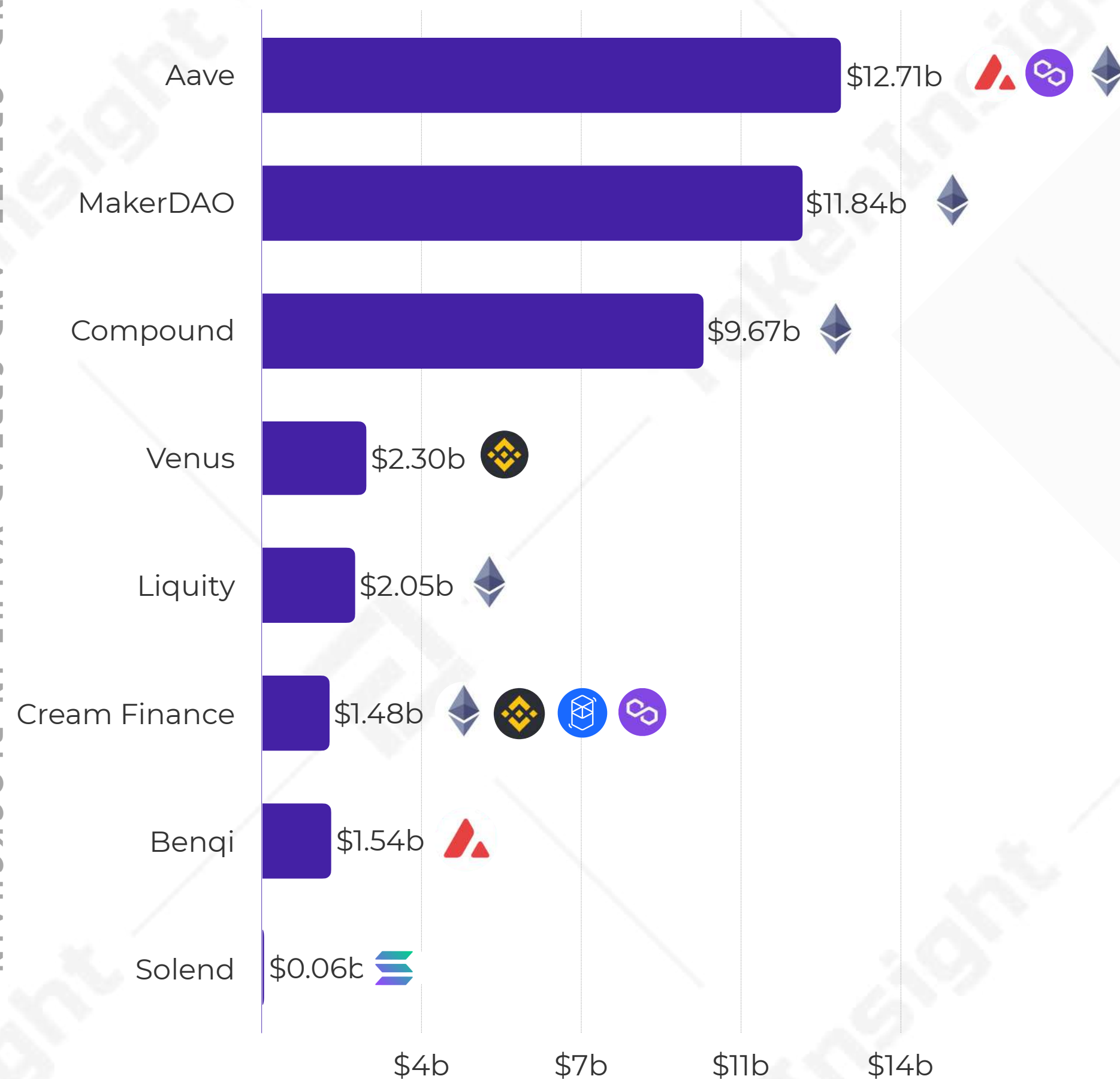
Notably, the debt outstanding mainly for stable coins *shrunk dramatically on July 28*, which is mainly caused by *the market bull*, which indicates that many investors chose to repay their debt at that time, as the Bitcoin price jumped from \$29,869.51 to \$38,217.96 (27.95%) within one week and there is no huge liquidation occurred during that period. Further, the crypto market witnessed *twice price fluctuations in September*, corresponding to relatively high liquidation volumes.



# Float Interest Rate

*DeFi lending protocols grow Multi-Chain.*

The TVL of Main Lending Protocols



It is worth mentioning that part of Ethereum's native lending protocols such as Aave and Cream Finance are contributed to building a multi-chain ecosystem, while some protocols (like Benqi and Solend) originated from the other chains also grow remarkably with the fast development of these chains.

## Market Updates

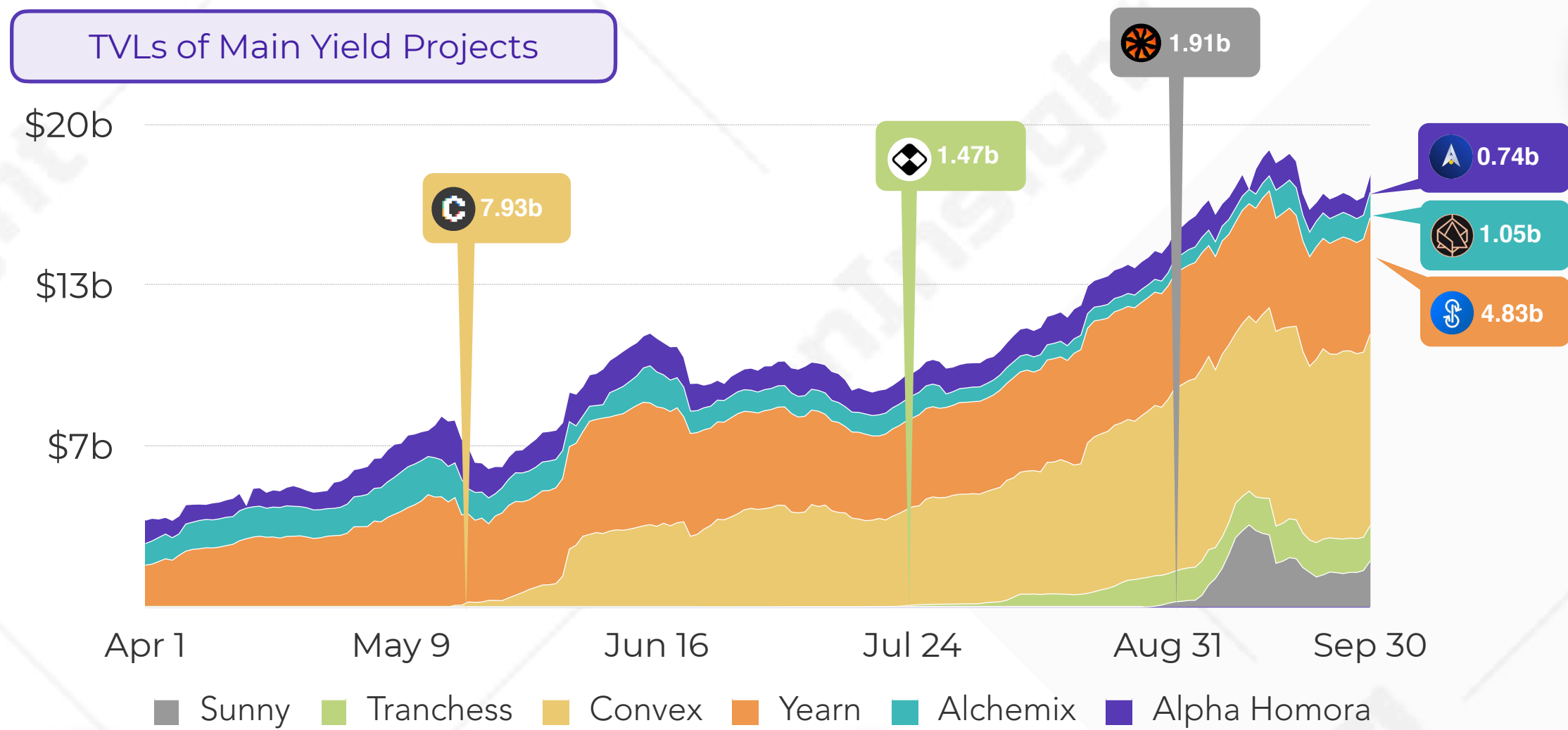
- **July 20:** The CEO of Maker Foundation announced that MakerDao has realized complete decentralization. Thus, the Maker Foundation would formally dissolve within the next few months.
- **August 4:** Aave was subject to a governance war on a proposal about listing BarnBridge's native \$BOND as collateral, while a minority of voters reversed the voting result before it is about to end.
- **August 13:** Solend launched on Solana mainnet.
- **August 19:** BENQI launched on Avalanche with \$3 million liquidity incentives.
- **August 30:** Cream Finance V1 on Ethereum suffered an exploit, resulting in a loss of \$18.8 million.
- **September 2:** Cream Finance announced to extend its lending and borrowing suite to the Moonbeam ecosystem.
- **September 10:** Apricot Finance, a Lending protocol on Solana released its testnet.
- **September 15:** To deal with the off-peg problem of \$VAI, Venus took a series of measurements, such as charging stability fee, stopping VAI's minting, and cooperating with Dinosaur Eggs.
- **September 16:** Avalanche Foundation initiated a proposal about deploying Aave on Avalanche, and now the deployment is completed.
- **September 17:** Cream Finance deployed on Arbitrum.
- **September 30:** Compound Labs investigated a malicious proposal (Proposal 062) which was trying to disturb the \$COMP distribution of Compound.
- **October 7:** Cream Finance launched its Iron Bank on Fantom.




# Yield Projects

Three new projects top the TVL rankings.


FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.






### Convex Finance

Convex is a yield protocol built on the basis of Curve Finance, that enhances the profit for both Curve liquidity providers and \$CRV stakers. The protocol is getting popular since its launch and has become the yield project with the highest TVL.




### Yearn Finance

Yearn Finance is a yield optimizer which helps users to automatically manage their fund based on opportunities present in the market. Due to the recent flourish of DEX, the value of Yearn might be influenced positively since it holds a lot of \$CRV in its Backscratcher.




### Tranchess

Tranchess is an innovative yield project derived from the concept of the structured fund, which tranches the risk and profit of a fund to suit users with different risk levels. It went to live on June 25 and has become the third-largest TVL project on DeFi Llama.




### Sunny

Sunny is a yield aggregator on Solana, which was launched on September 9, 2021. It mainly provides yield strategies based on the LP token of Saber that is a DEX for stablecoins and wrapped tokens on Solana. Sunny is beneficial from the bloom of Solana this summer.



### Alchemix

Alchemix provides yield products derived from the lending mechanism. Users can deposit to borrow a synthetic token (alToken), and the alToken can be used to generate yield. Besides, the interest generating by users/ deposits would automatically pay back users' debt.



### Alpha Homora

Alpha Homora is the first product of Alpha Finance Labs, focusing on leveraged mining. Now the project has deployed on Ethereum, Binance Smart Chain, and Avalanche. Alpha Homora V2 supports up to 7.7x leverage.



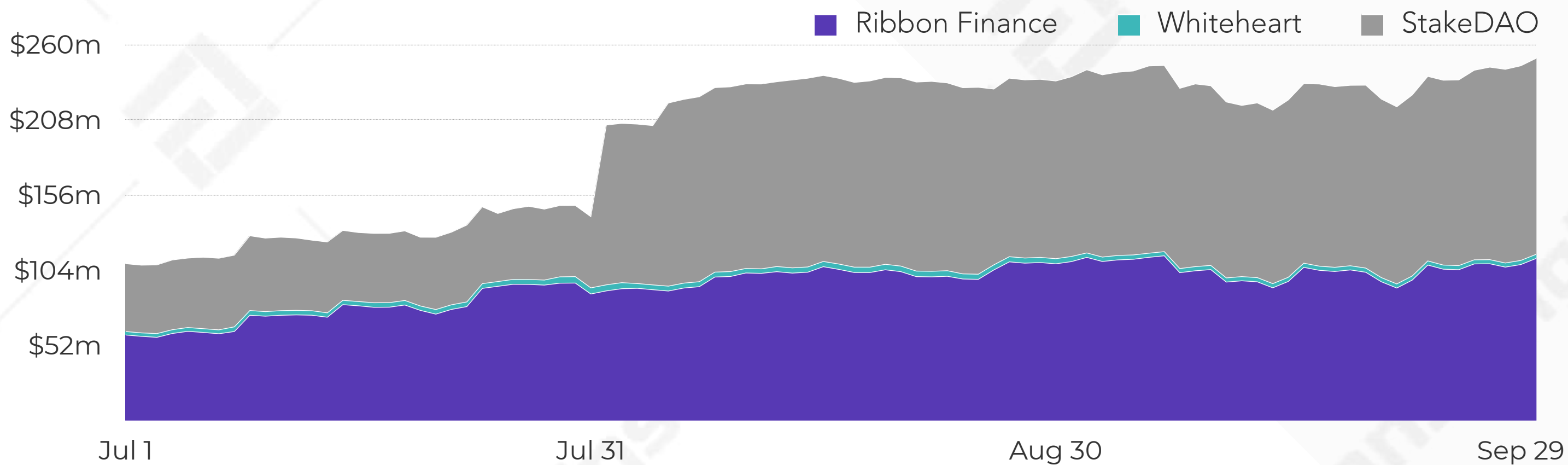
# Structured Products

More new players joined in structured products market with more strategies.




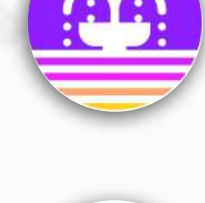

In 2021Q3, more structured product protocols begin to emerge from the market. Among them, structured product projects **based on option strategies similar to Ribbon** are still mainstream, such as **Fontis Finance**, **Optional Finance**, etc. These protocols are based on **Oryn**, an option DEX, but their size are far less than Ribbon. As of Sept 30, 2021, the TVL of Ribbon Finance has exceeded \$112m.

It is worth noting that structured products are no longer limited to options yield strategies. StakeDAO is providing structured products based on Curve, Ellipsis and Dev Protocol's passive income strategy, as well as products based on options strategies, while Whiteheart is providing risk hedging strategy products based on Hegic.

TVL Performance of Some Structured Products Projects\*



Main Strategies of Structured Products

Protocols	Strategy	AUM
 Ribbon Finance	Covered call, Put selling	\$112.05m
 Stake DAO	Passive yielding, Arbitrage, Covered call, Put selling	\$135.48m
 Whiteheart	Automatically Buy Put	\$2.85m
 Fontis Finance	Covered Call	<\$1m
 Optional Finance	Covered Call	<\$1m

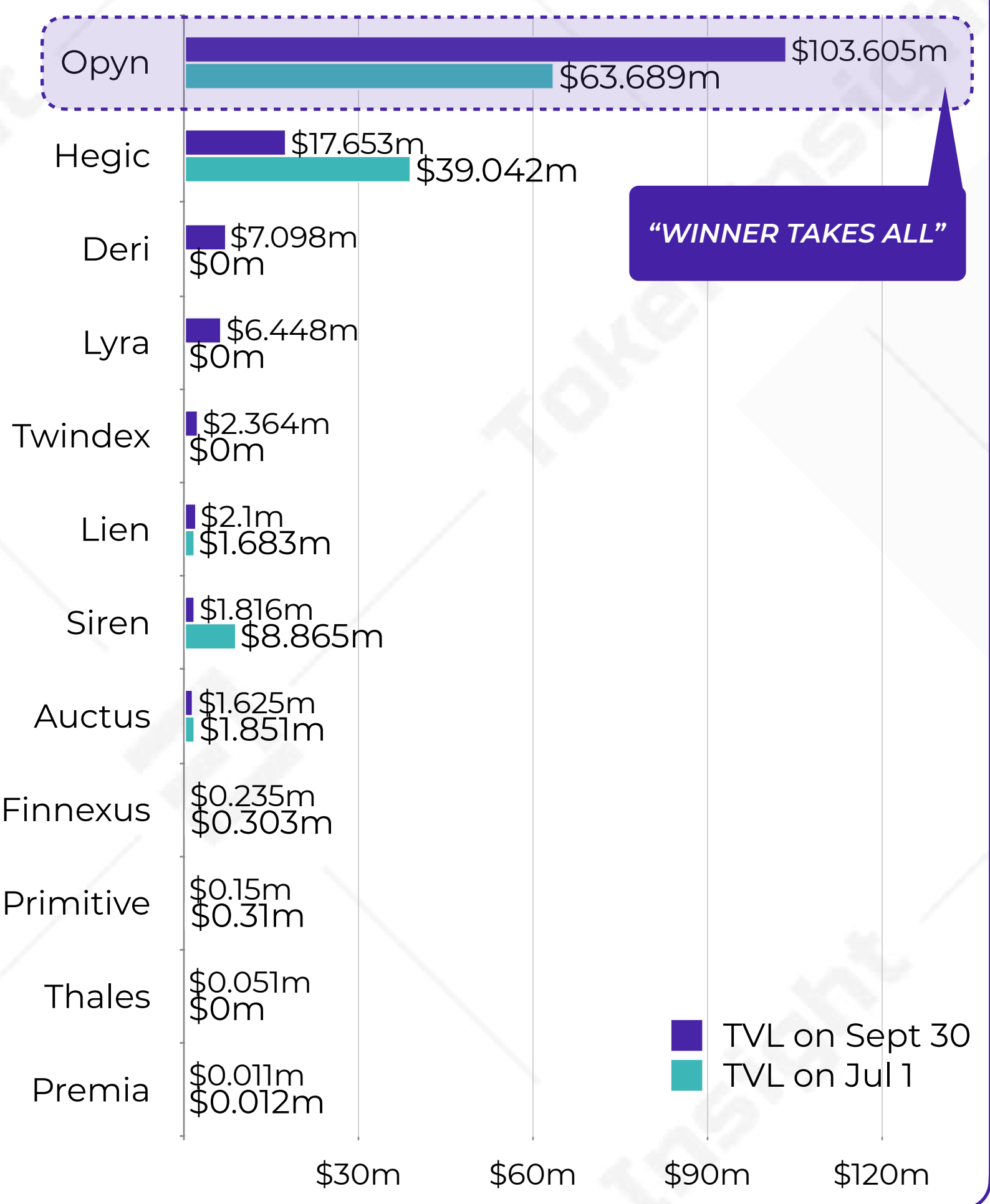
\*: Some of projects have no TVL data. Source: DeFiLlama, Official websites of projects, TokenInsight. \*Date: 2021.09.30



# Options

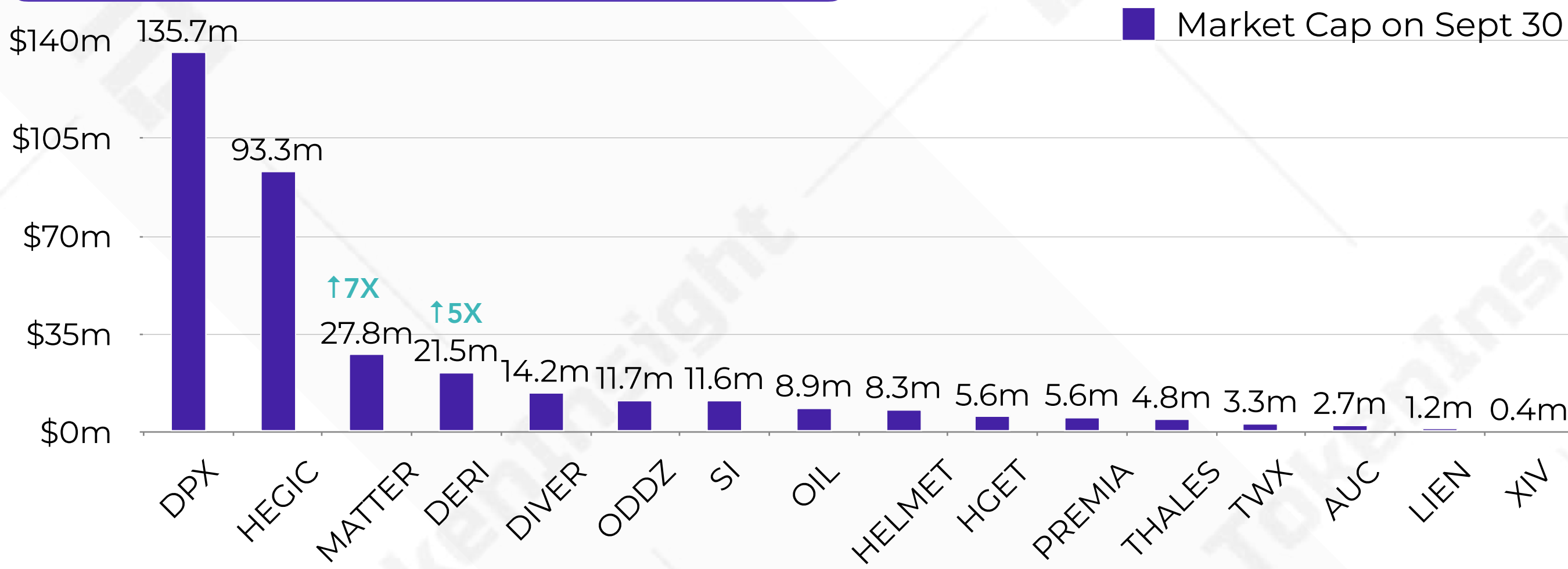
TVL of Optyn exceeded \$100m, while \$DPX obtains more than \$100m market cap.

Options DEXs TVL Performance in Q3



- The TVL of projects that were already on the mainnet at the beginning of 2021q3 drops significantly except for Optyn. Among them, Siren and Hegic dropped by 79.51% and 54.78%, respectively.
- \$DPX and \$HEGIC have scales of \$100m market cap at the end of Q3.
- Everlasting options projects are the most popular, and their tokens market caps have grown close to 5 times (\$DERI) and 7 times (\$MATTER) respectively.

Options DEXs Token Market Cap Performance in Q3



Source: DeFiLlama, CoinGecko, Official websites of projects, TokenInsight. Date: 2021.09.30




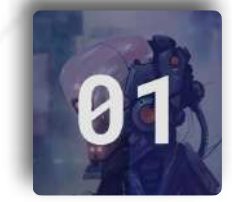




# Options

*At least 4 projects have independently developed everlasting options products based on different pricing models.*

Options DEXs TVL Performance in Q3

	Protocols	Chain	Type	Characteristic	Development Process
	Deri	ETH, BSC, HECO, Polygon	European everlasting options	Based on a real-time funding fee mechanism calculated in seconds. The options buyer pays the seller the funding fee in real time as the premium, and the sum of the daily funding fees is the same as the price of the options that expires on that day.	Launched in Sept and trading volume has exceeded \$115m
	Antimatter	ETH, BSC, Arbitrum, Avalanche	Perpetual barrier options/ binary options	There is an upper limit on the product's profit, and the contract price change is significantly related to the probability of the underlying asset breaking the upper/ lower bounds.	Launched in Oct
	Shield	ETH, BSC	Perpetual American options	Automatically rollover once a day. The rollover time is UTC 0:00, the price at the time of the extension is the strike price of the next 24 hours period, and the fee paid by the user each time for the rollover is the premium.	Beta testing
	01 Protocol	Solana	European everlasting options	Using the classic Dave White everlasting option model to realize the perpetualization of options contracts by simulating the rollover process of European options. The funding fee paid by user is equivalent to the cost paid for the options rollover.	Testing



# Cross-Chain







Cbridge is the most extensive cross-chain bridge linking a variety of ecosystems while Anyswap has largest TVL.

Bridges Supported Chains Metrics

- Anyswap and Allbridge support most of the public chains, but Anyswap has 400 times larger TVL compared to Allbridge.
- Hop Protocol is devoted to the transfer of assets, mainly stablecoins, between Ethereum mainnet and layer2s.
- Cbridge is the most extensive cross-chain bridge mentioned above, ranging from EVM to Non-EVM to layer2s.
- Despite being stolen in July, Anyswap still ranks first in terms of TVL.
- Cbridge is the most extensive cross-chain bridge linking a variety of ecosystems.

Main Cross-chain Projects Comparison

	Ethereum	BSC	Solana	Avalanche	Arbitrum	Polygon	Optimism	Xdai	Terra	Celo
Cbridge	✓	✓	-	✓	✓	✓	✓	✓	-	✓
Synapse Network	✓	✓	-	✓	✓	✓	-	-	-	-
Hop Protocol	✓	-	-	-	✓	✓	✓	✓	-	-
Allbridge	✓	✓	✓	✓	-	✓	-	-	✓	✓
Wormhole	✓	✓	✓	-	-	-	-	-	-	-
Anyswap	✓	✓	-	✓	✓	✓	-	✓	-	✓

Projects	Native Token	FDV	TVL	Transfer fees Comparison	Support NFT transfer
 Cbridge	-	-	-	Fees you need to pay include cross-chain transaction fees whose range is 0.04%-0.2% and fees paid to relay nodes.	✓
 Synapse Network	SYN	\$865.5m	\$666.78m	The transaction fee changes according to the assets transferred across the chain with default of 0.05%	-
 Hop Protocol	-	-	\$84.36m	A 0.3% transaction fee is required to pay to the liquidity provider	-
 Allbridge	ABR	\$495m	\$10.40m	Generally 0.3% but staking 1000 ABR can fix the transaction fee at \$0.5	-
 Wormhole	-	-	\$346.00m	According to Wormhole's doc disclosure, Wormhole fees are currently sub-cent.	✓
 Anyswap	ANY	\$969m	\$4.32b	Generally speaking, users pay 0.4% of the sum being transferred but double when doing swap.	✓

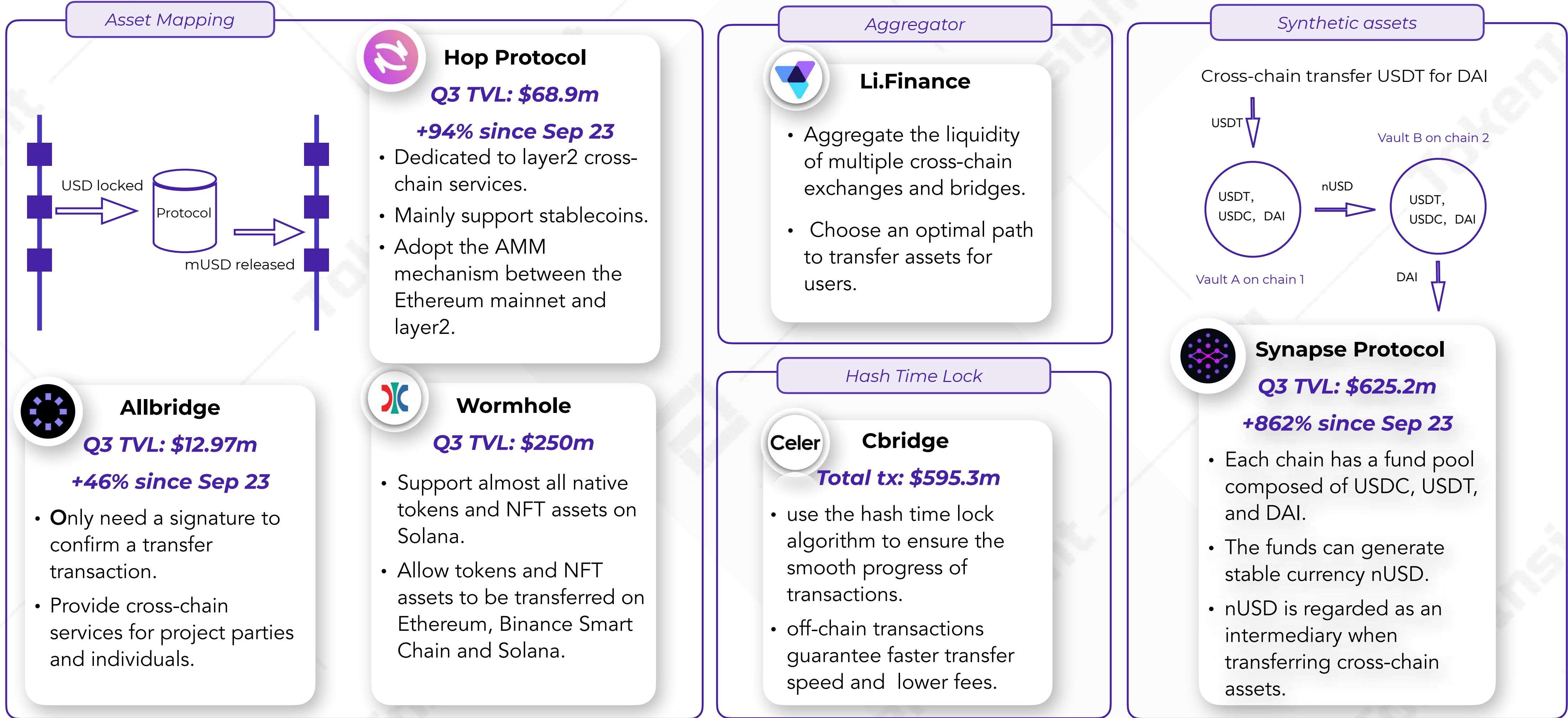




# Cross-Chain

Cross-chain as a middle ware is becoming a necessary tool with huge demand.

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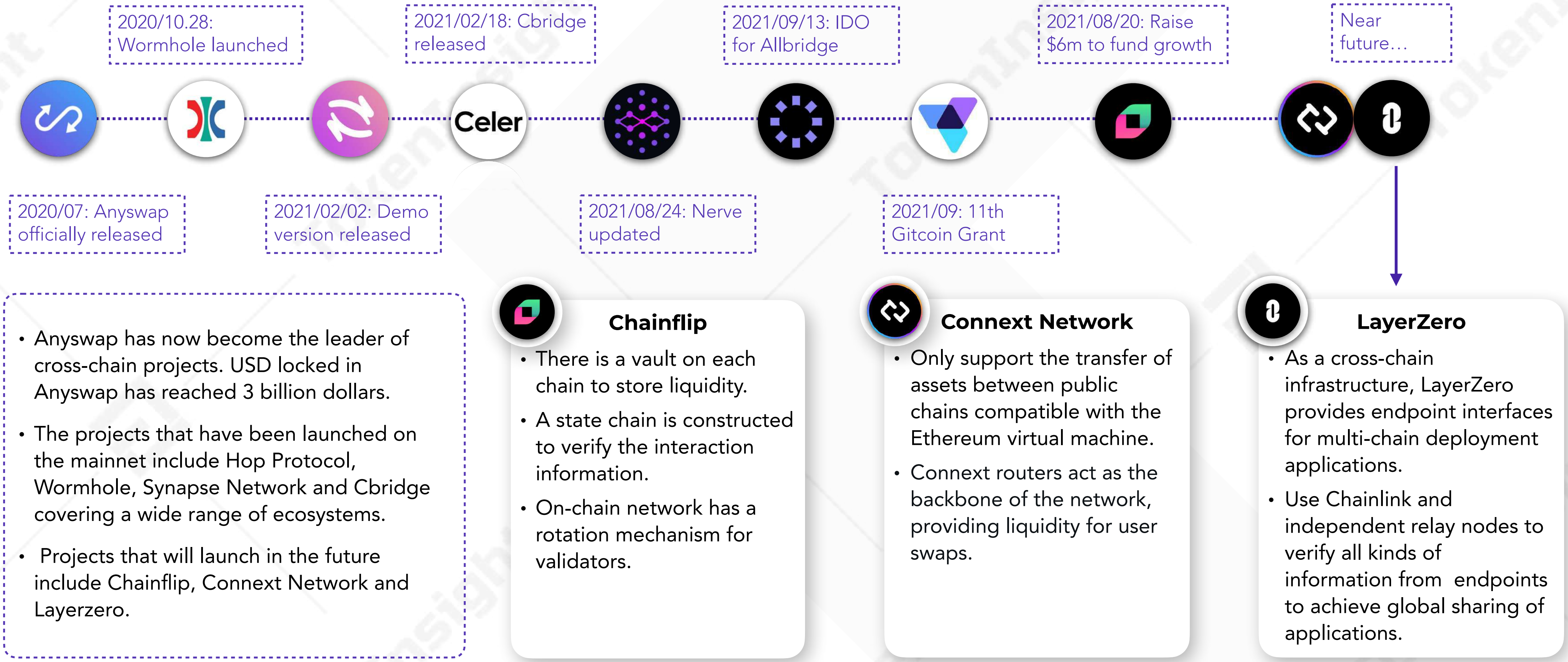




# Cross-Chain

*Early projects have gained great reputation, but newcomers are getting more and more attention due to their innovation.*

FIND, CREATE, AND SPREAD VALUE IN BLOCKCHAIN.





# Don't Trust. Verify!



**TokenInsight**

Find, Create, and Spread Value in Blockchain

# Thank You



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