DeFi

Decentralized Finance

# Notions

* **Impermanent Loss:** Impact Liquidity providers. It’s the **difference** between **holding** coins in wallet and the **profit by staking** in liquidity pool. If one asset’s price and the other goes down, it’s a huge loss.

**Concentrated liquidity:** Provide liquidity in a range of price’s token.

* **Rollups:** 
  + **Zkrollups:** Faster but can’t use smart contracts. Rollup multiple transaction into one transaction and send it to the blockchain.
  + **Optimistic Rollups:** VM improve, can carry smart contract but slower
* **Plasma:** Use child chains which has their own child chains. **Childs chains work on thing less important** that main chain. And **important information is broadcast to the child chains**.
* **Channels**: **Lock up funds and get virtual fund**. Make transaction on this network. Then get back real fund, which count of 1 transaction. However, **you cannot run smart contract** on this network.
* **Yields farming:** Different solutions for making money with DeFi

# Exchange

## Uniswap

* Uniswap v1: the pools must have ETH
* Uniswap v2: Pools with whatever token
* Uniswap v3: Concentrated liquidity