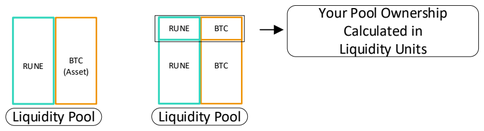
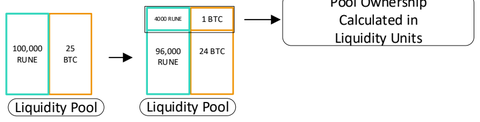
Quick Revision

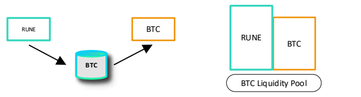


Total Pool
Depth = $2M
BTC Price = $40,000
Rune Price = $10
1 BTC = 4000 RUNE

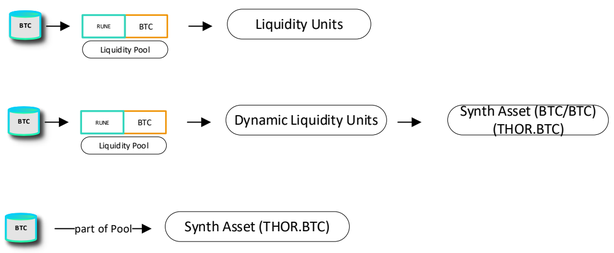
Share of the Pool
Total = $80,000
BTC = 1
Rune = 4,000
4% of the pool



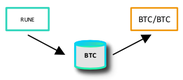
Reminder about Swap & Fees



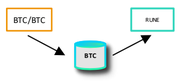
How Synths Work - Overview

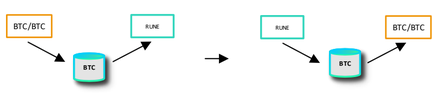


Minting

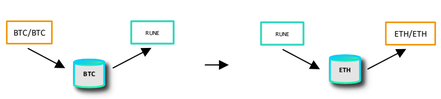


Redeeming

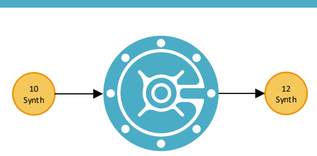




Synth Swap – BTC/BTC to ETH/ETH

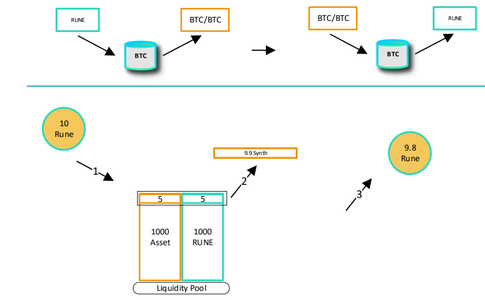


Synth Vault

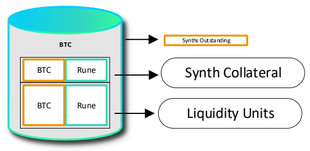


Synths can earn interest
E.g. 10 to 12 Synth

Minting, collateral and redemption

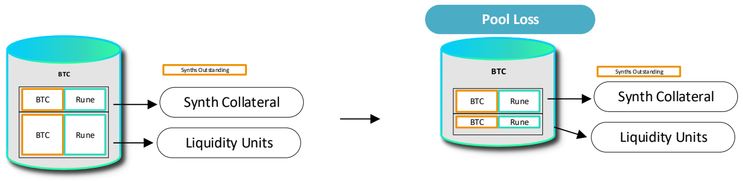


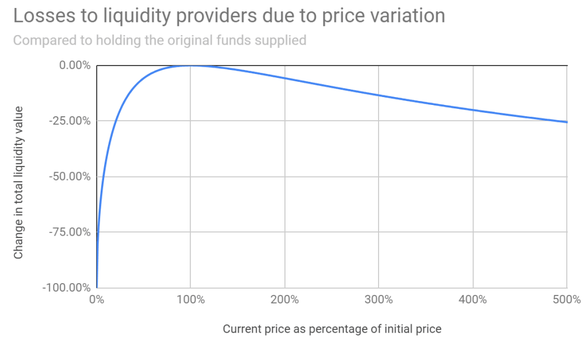
Pool Units = Synth Units + Liquidity Units



Why No Impermanent Loss?

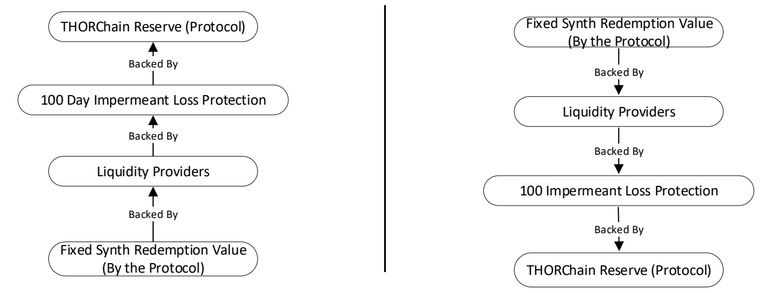
"Synths are not subject to IL simply because the protocol honours the redemption value of the collateral, not the units behind them, which actually change dynamically"



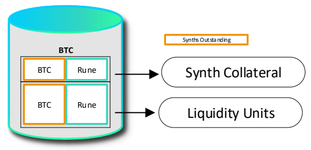


Credit: https://tokentuesdays.substack.com/p/eliminating-impermanent-loss

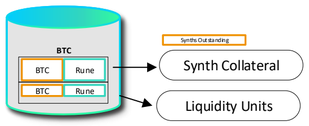
Synth Risk Chain



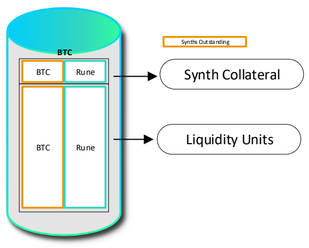
Pool Start



Pool Loss



Pool Gains



Transaction Fees

Asset in – no Change – 1x Tx Fee
Asset out – no Change – 3x Tx Fee

Synth In – 0.02 RUNE
Synth Out – 0.02 RUNE
Synth Swap – Inbound + Outbound = 0.04 Rune

Synths transactions are native THORChain transactions.

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