



# The DefiHedge Protocol & Exchange

Fixed Rate Lending & Interest-Rate Swaps

# Traditional Interest Rate Swap Markets

The Bank for International Settlements currently estimates the notional value of all OTC interest rate derivatives to be ~ **\$524 Trillion** in their most recent annual economic report.[2]

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All swaps are subject to counterparty risk and each party must evaluate the likelihood of counterparty default.

# Decentralized Financial Markets

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Today, nearly **\$5 Billion** is locked in various DeFi protocols providing users the ability to utilize the “time-value” of their assets.

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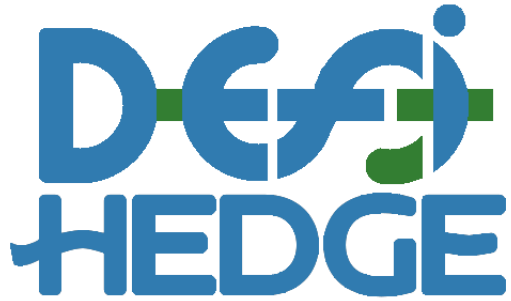
Unlike traditional finance, DeFi severely lacks the infrastructure necessary to provide leveraged positions on these protocols.

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Users that wish to hedge against rate variability are forced to utilize centralized services.

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## Solution:



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The DefiHedge protocol offers users the ability to hedge against DeFi interest-rate volatility through fixed-side swaps.

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The DefiHedge protocol offers users the unique ability to leverage their capital with floating-side swaps.













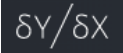








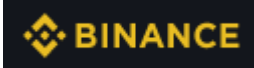




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The DefiHedge protocol ensures there is no counterparty risk and in doing so can guarantee a previously unenforceable, “trustless” swap venue.

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# Competitive Environment

Crypto-Lending				Crypto Derivatives	
Fixed		Variable		Interest-Rates	Futures/Leverage
DeFi	Central	DeFi	Central		
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# Obtainable Market

Given DefiHedge requires a demand for both leveraged positions and fixed-rate lending, protocol adoption is limited by whichever garners least demand.

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Accepting this thesis, we estimate that the currently obtainable market is likely in the range of ~\$3B/year with fixed-rate lending as the limiting factor.

# Market Timing

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The rapid adoption and growth of decentralized finance has only recently facilitated the development of additional derivative markets.

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As adoption has increased, production testing resulted in clear candidates for further derivative development, namely **Compound Finance**.

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## Total Value Locked (USD) in DeFi



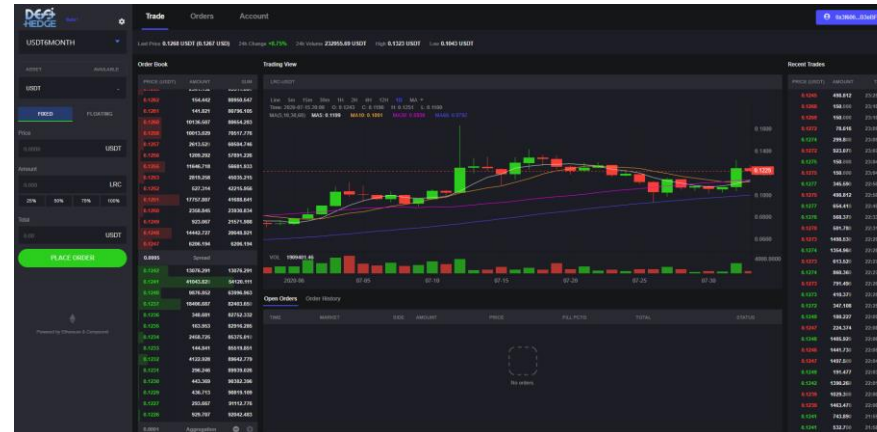
# Current Progress:

## Contracts:

- Siloed On & Off-Chain Order Books
- EIP-712 signature validation

## DEX:

- Major UI development complete
- Backend framework established
- Contract integration in progress







# A Decentralized Marketplace for Interest-Rate Swaps

