

The Fixed Rate Flywheel

- Primer on fixed rate markets (PTs and YTs)
 - 1 USDC is provided to a lending market
 - This token is locked for the term length (e.g. 1 year)
 - Two tokens are created: a PT (principal token) and YT (yield token)
 - PT can be redeemed for 1 USDC at maturity
 - YT can be redeemed for the interest earned on 1 USDC at maturity
- Fixed Rate Flywheel
 - Fixed rate markets are built on variable rate markets
 - Variable rate markets create demand for fixed rates
 - Fixed rates increase the liquidity of variable rate markets



Current State of Fixed Rate Markets

Production Learnings & Observations:

- Takeaways of getting adoption from the bear to the bull market
- User demand for fixed rates
- Points Speculation and potential PMF



Integration and Market Dynamics

Fixed Rate Markets don't exist in isolation — they're part of the broader DeFi ecosystem

- Managing risk in fixed rate markets
- Integration challenges with existing DeFi protocols
- Relationship between fixed rate and variable rate markets



Future of Fixed Rates

The market continues to evolve rapidly with new approaches being tested regularly

- Impact of institutional participation
- Crypto native adoption paths
- Overlap with privacy and scaling solutions



