



Ethereum Yield Farming – Micro Asset

Page 1 – What & Why

What is Ethereum Yield Farming?

Yield farming = earning passive income by lending or staking crypto in DeFi protocols.

On Ethereum, this means locking ETH or ERC-20 tokens into platforms like Uniswap, Aave, or Curve to earn rewards.

Why does it work?

- Liquidity providers power decentralized trading & lending.
- Platforms pay farmers with fees + governance tokens.
- Compounding strategies can push annual yields above traditional markets (APY 5–30%).

💡 Tip: Yield farming isn't "free money" → it works because you provide liquidity that others need to trade or borrow.

Page 2 – How to Start

Step 1 – Choose a platform

- *Uniswap*: earn trading fees as a liquidity provider
- *Aave*: lend ETH or stablecoins to earn interest
- *Curve*: optimized for stablecoin pools, low risk

Step 2 – Connect wallet

- Use MetaMask or another Web3 wallet
- Fund with ETH + tokens you want to farm

Step 3 – Deposit & farm

- Deposit tokens into chosen pool
- Start earning APY (auto-compounding recommended)

📊 Example: Deposit 1 ETH on Aave → earn 5–7% APY → compounded weekly = higher real returns.

💡 Pro Tip: Diversify across 2–3 pools to reduce exposure to one protocol.

Page 3 – Tools & Resources

Tool / Platform	Use Case	Link
Bybit	Buy & transfer ETH securely	Join Bybit
Uniswap	ETH & ERC-20 liquidity farming	https://uniswap.org
Aave	ETH & stablecoin lending	https://aave.com
Curve	Stablecoin pools	https://curve.fi
TradingView	Chart ETH trends	TradingView
MetaMask	Web3 wallet for DeFi	https://metamask.io
TradeSanta	Automate reinvestment strategies	TradeSanta

Page 4 – Do's & Don'ts

✔ Do's

- Always use a hardware wallet for larger amounts
- Diversify across multiple pools
- Reinvest rewards regularly (compounding = higher APY)
- Track performance weekly

✗ Don'ts

- Don't farm on unaudited protocols
- Don't over-expose to 1 token or pool
- Don't ignore gas fees → they can eat profits
- Don't panic withdraw during normal volatility

Page 5 – Quick Glossary & Outlook

Glossary:

- APY: Annual Percentage Yield (with compounding)
- Impermanent Loss: Risk of providing liquidity → token price moves
- Liquidity Pool (LP): Smart contract holding user funds for swaps/lending
- Governance Token: Reward token for participating in protocol

2025 Outlook:

- 📈 More institutional ETH farming → safer yields
- ⚡ L2 solutions (Arbitrum, Optimism) reduce gas fees → higher ROI for small farmers
- 🧠 AI-powered DeFi bots (like TradeSanta) optimize compounding automatically

⚠️ Disclaimer

This guide is for educational purposes only. Crypto trading and yield farming involve risk. Always do your own research and never invest money you cannot afford to lose. Some links are affiliate links. EarnBasis may receive a commission if you sign up, at no extra cost to you.