

[Blog](#)[Community](#)[Docs](#)[Governance](#)[ENTER APP](#)

Astroport and the rise of Terra 2.0

November 22, 2021 + Astro News



When Terra launched in 2019, its builders had two goals: creating a network of truly decentralized stablecoins and using those stablecoins to get crypto into the hands of mainstream users.

Just two years later, the blockchain's leading stablecoin \$UST has gone from a market cap of \$0 to more than \$7.2 billion. The South Korean payments app CHAI got users spending crypto in local department stores — often without realizing it. And Anchor's staking yield protocol and similar projects have attracted billions in deposits from crypto natives.

Terra has proven product-market fit. And that's despite the fact that many of the services on Terra are limited, inefficient or experimental. A new generation of Terra apps — what we're calling Terra 2.0 — will change that.

And it will start with Astroport.

Astroport's impact on Terra

Astroport is a public spaceport hovering in the cosmos. Anyone can beam aboard it to trustlessly trade tokens. There is no captain or bureaucrat to stop them. The station will be owned solely by its users.

When it launches, it will bring big improvements over existing decentralized exchanges (not just on Terra but on all blockchains). Those improvements include:

- Support for multiple pool types (Constant Product pools + Stableswap pools) in a single protocol. This will allow for better pricing and trade efficiency no matter the token type
- Advanced charting and analytics for LPs and traders
- Dual token rewards for LPs
- LPs and ASTRO stakers sharing fees
- Governance tiers (xASTRO and vxASTRO) that allow for different commitment levels and voting power
- Nearly 1 year of UX and design work to make Astroport as simple and elegant to interact with as possible

All that's in addition to core functionality like slippage controls, multi-hop routing, price impact previews, exchange rates and fee calculations.

In short, Astroport is a next-generation AMM for Terra that's engineered to improve pricing and trade efficiency. Better pricing and efficiency should help Astroport attract more liquidity, which will further improve pricing and efficiency in a self-reinforcing loop.

That's key as trade efficiency is what ultimately drives adoption and integration with other protocols.

On the Ethereum network, for example, the leading AMM by trading volume is Uniswap. It has more than 200 DeFi integrations with many of the most important projects on the network including:

- Trading aggregators (MetaMask, 1inch)
- Crypto wallets (Fortmatic, Trust Wallet)
- Index projects (Index Coop, PieDAO, Indexed Finance)
- Credit protocols (Aave, Compound, Rari)
- Yield protocols (Yearn, Convex)
- Defi portals (Zapper, Instadapp)
- Stablecoin protocols (Maker, mStable)

Just as Uniswap has become a pillar of the Ethereum ecosystem, the leading Terra DEX will likely do the same.

Optimized to be flexible and adaptable, Astroport should attract deep pools with significant trading volumes. That means its launch could have implications for many other upcoming Terra 2.0 projects as well. It will do that by among other things:

- Integrating liquidity mining programs for new Terra tokens including those that adopt dual rewards (\$ASTRO tokens + third-party project tokens)
- Generating key data/oracle prices for other projects including credit protocols like Mars
- Serving as the backbone for index products or baskets of tokens
- Supplying liquidity to wallets and trading aggregators that access liquidity from multiple DEXes
- Serving as the underlying liquidity layer for yield farming protocols

Beyond these areas, it's impossible to predict what governance will propose and approve, but there are areas that warrant further research.

Built on the Cosmos SDK, Terra apps like Astroport could get integrated with Wormhole v2 or other interoperability protocols that could expand Astroport's reach onto other blockchains. There's even the possibility that users on other chains could access Astroport liquidity without needing a Terra-based wallet or even realizing they're using Terra.

The growth of projects and apps on Terra is like watching six years of Ethereum development get compressed into the span of a few months. A foundational AMM will spur Terra's transition from Terra 1.0's experimental phase to Terra 2.0's push for mass adoption.

To get involved, follow us on [Twitter](#) now.

✦ IMPORTANT DISCLAIMERS:

This article has been written and published by the joint venture devoted to the research, development and deployment of Astroport. It is qualified in its entirety by the [Astroport Medium Disclaimers](#).



Previous post

Launching the Astroport brand into the creative commons

Next post

Countdown initiated: Announcing Astroport's AstroDrop and launch date

Astroport

TRADE / SWAP
LIQUIDITY POOLS
TERMS OF USE
GOVERNANCE

Developers

DOCS
BUG BOUNTY

Community

DISCORD
MEDIUM
TELEGRAM
TWITTER