

DeFi Savings Rate Report

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Executive Summary

The decentralized finance (DeFi) ecosystem offers a range of savings opportunities for stablecoin holders through a variety of platforms. This report provides an in-depth analysis of the current DeFi savings rates, focusing on [sFRAX by Frax](#), [sDAI by Maker](#), and [sUSDe by Ethena](#). Using data from the Dune dashboard provided by Stablesocarab, we present a comparative assessment of yield options to assist in understanding the nuances and benefits of each savings product.

Overview of DeFi Savings Rate

The [DeFi Savings Rate Dashboard](#) referenced in this report is a comprehensive tool for evaluating the current yields on stablecoin savings products across popular DeFi platforms. Stablecoins such as sFRAX, sDAI, and sUSDe are pivotal to the DeFi ecosystem, providing investors with relatively stable returns in a volatile market.

DeFi protocols have become the backbone of a new financial system that offers both attractive returns and decentralized governance. Each stablecoin product—whether it's Frax's sFRAX, Maker's sDAI, or Ethena's sUSDe—presents a distinct mechanism of generating yield, backed by unique collateral and risk frameworks. This report aims to provide a deep understanding of the differences between these products in order to assist potential investors in making informed decisions.

Product Description

sFRAX by Frax: sFRAX is a yield-generating stablecoin backed by Frax's innovative fractional algorithmic collateral model. It provides stable returns while maintaining a dynamic collateral ratio that adjusts based on market conditions.

sDAI by Maker: MakerDAO's (now known as Sky) sDAI (now known as USDS) is a yield-bearing version of the well-known DAI stablecoin. DAI is fully backed by a diversified set of on-chain assets, and its yield is derived from Maker's lending operations. The stability of sDAI comes from its over-collateralization and MakerDAO's governance structure.

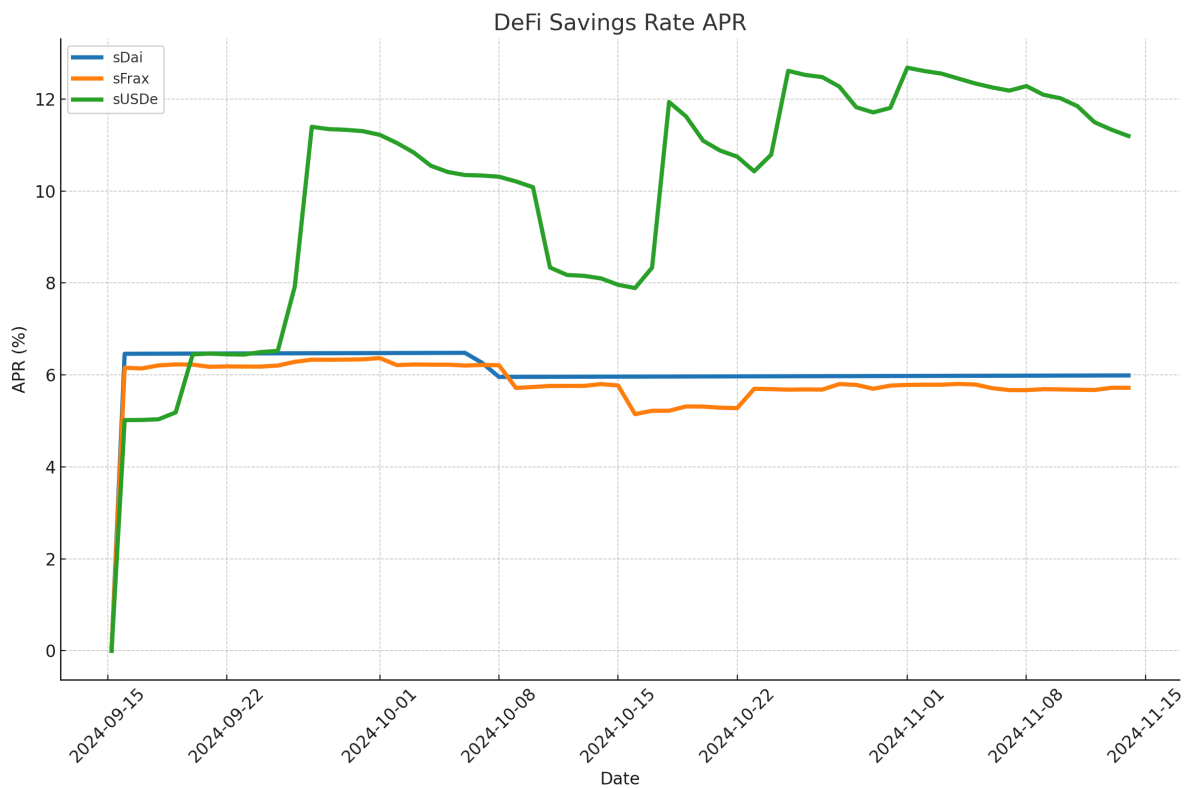
sUSDe by Ethena: Ethena's sUSDe aims to differentiate itself with unique strategies that diversify yield sources, such as liquidity mining and advanced algorithmic lending models. This stablecoin is becoming popular due to its competitive interest rates and efficient risk management techniques.

Data Dictionary

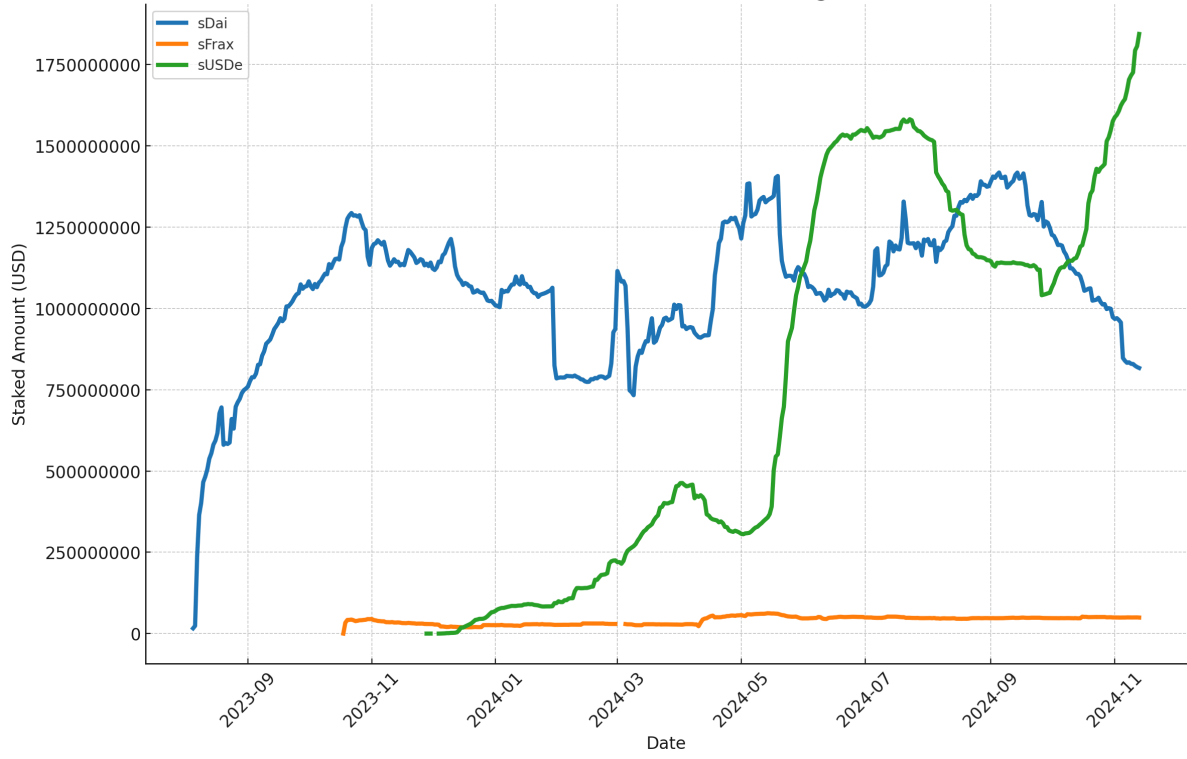
- 1. **TVL (Total Value Locked):** The total value of assets deposited into DeFi protocols by users. Measured in USD.
- 2. **Staked Amount:** The value of assets staked by users in DeFi savings products. Measured in USD.
- 3. **APRs (Annual Percentage Rates):** The interest rate provided by DeFi protocols on the staked assets. Represented as a percentage.
- 4. **APYs (Annual Percentage Yields):** The compounded interest rate offered on staked assets. Represented as a percentage.

Exploratory Data Analysis

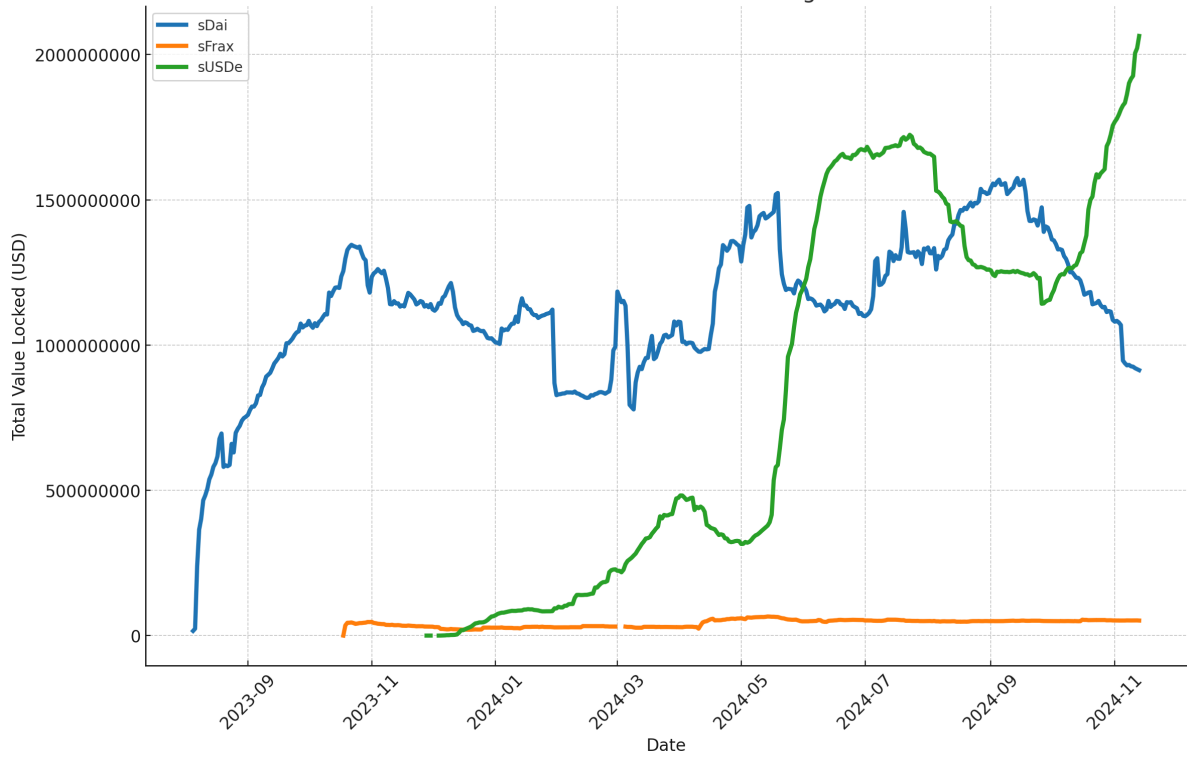
The data analysis involved comparing the yields, TVL, and staked amounts for each of the savings products mentioned:

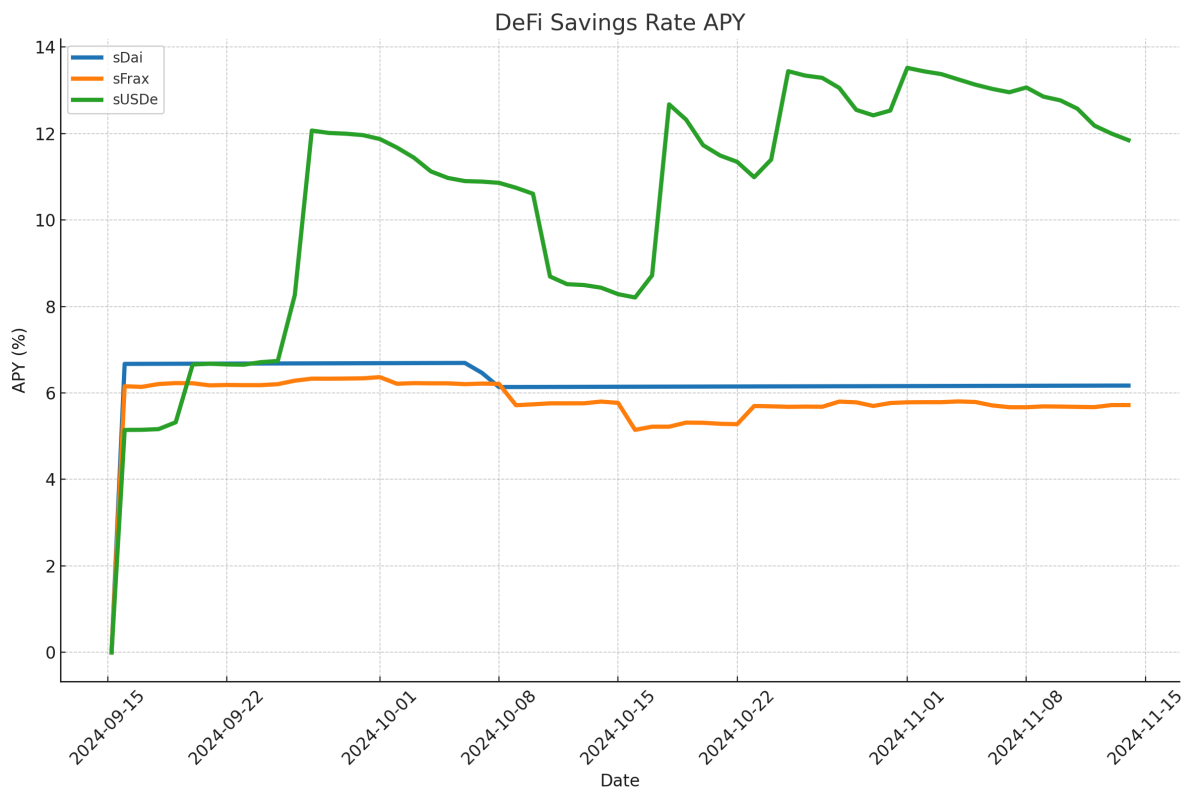


Total Staked Amount for DeFi Savings Rates



Total Value Locked for DeFi Savings Rates





- **Yields Analysis:** On average, sUSDe by Ethena has consistently offered the highest returns, particularly for those interested in stable yet high yields. sFRAX and sDAI also maintain steady rates, appealing to conservative investors.
- **Collateralization Ratios:** MakerDAO's (now known as Sky) sDAI (now known as USDS) maintains one of the highest collateralization ratios at **150%**, ensuring a lower risk profile for investors. sFRAX features a fractional collateralization model at **95%**, and sUSDe relies on a diversified yield generation approach with a **100%** collateralization ratio.
- **TVL Comparisons:** sUSDe by Ethena shows the highest total value locked, which underlines the strength of its community trust and liquidity security. sDai also has a high total value locked, which underlines the strength of its community trust and liquidity security for a more conservative approach while sFrax by Frax has the lowest total value locked.
- **Compounded Yield comparisons:** The APY chart shows the changes in Annual Percentage Yields (APYs) for sDai, sFrax, and sUSDe over time, with each APY representing the compounded interest rate on staked assets. **sUSDe** consistently offers higher APYs compared to **sDai** and **sFrax**, potentially indicating higher yield incentives or associated risks. Meanwhile, **sDai** and **sFrax** display more stable and predictable returns, suggesting a focus on balancing yield with lower risk. The higher APY of **sUSDe** may attract yield-seeking investors, whereas the stability of **sDai** and **sFrax** may appeal to those prioritizing consistent returns.

Key Findings

Total TVL Overview

- **sDAI TVL:** \$913,539,271.02 USD
- **sFRAX TVL:** \$51,782,622.15 USD
- **sUSDe TVL:** \$2,063,758,654.15 USD

Staked Amount Overview

- **sDAI Staked:** \$816,790,097.12 USD
- **sFRAX Staked:** \$49,316,783.00 USD
- **sUSDe Staked:** \$1,843,941,484.04 USD

APR Overview

- **sDAI APR:** Mean of 6.05%
- **sFRAX APY:** Mean of 5.77%
- **sUSDe APR:** Mean of 9.94%

Conclusion

The DeFi savings rate landscape provides diverse options to stablecoin holders looking to earn yield. MakerDAO's sDAI provides a stable and low-risk avenue for returns, while sFRAX and sUSDe by Frax and Ethena respectively offer unique, innovative ways of generating yield with varying risk and reward profiles. Investors must consider their individual risk tolerance and financial goals when choosing among these products.

References

- StablesCarab's DeFi Savings Rate Dashboard. *Dune Dashboard*, <https://dune.com/stablesCarab/b/defi-savings-rate>.
- MakerDAO Documentation. *Maker*, <https://makerdao.com>.
- Frax Protocol Overview. *Frax*, <https://frax.finance>.
- Ethena Stablecoin Info. *Ethena*, <https://ethena.io>.