

## Announcements

# Mars Protocol to launch its first-ever Outpost on Osmosis

FEBRUARY 2, 2023

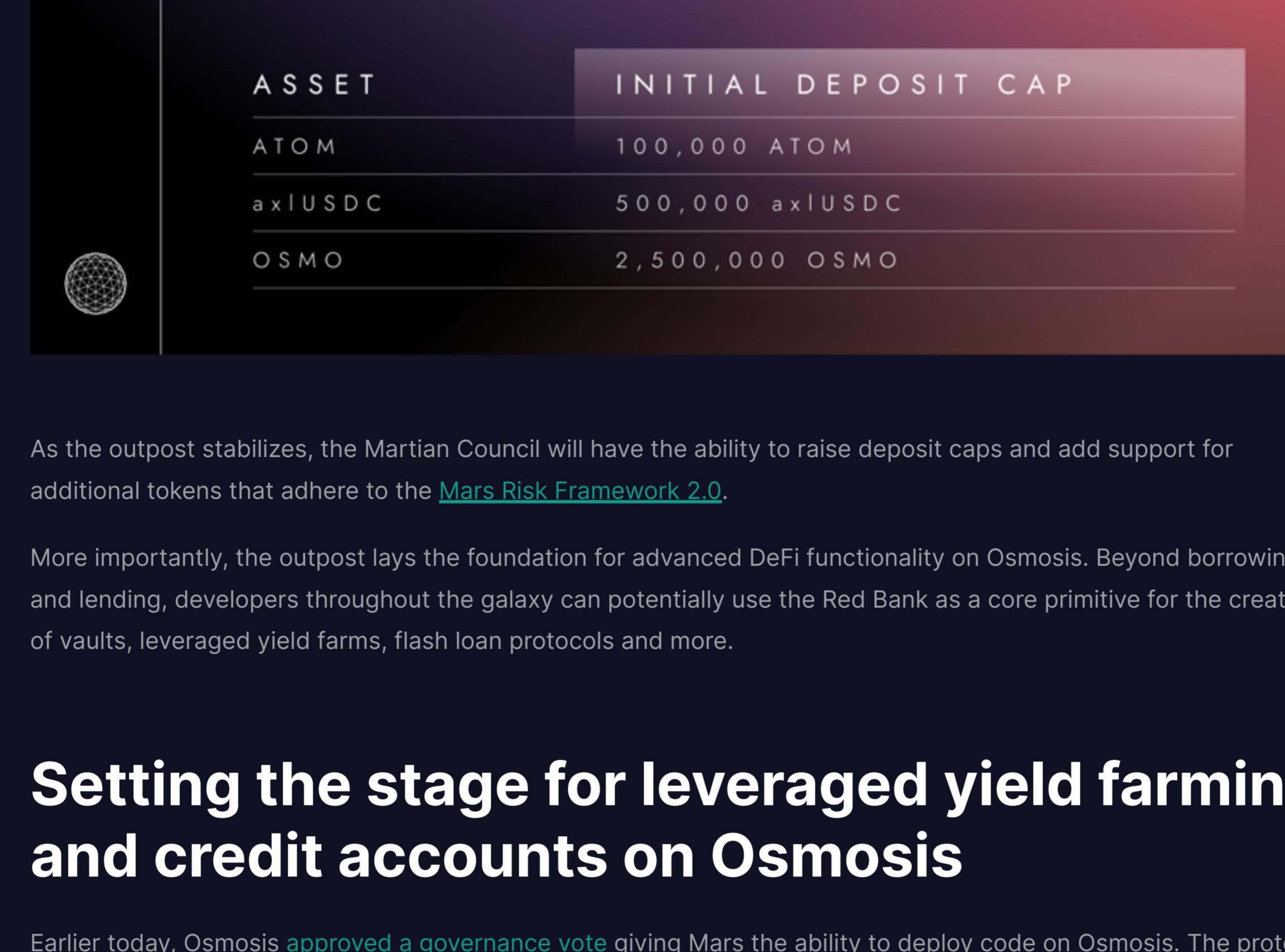
**Mission briefing:**

- After a successful governance vote on Osmosis, Mars' first Outpost will soon expand the growing DeFi ecosystem on Osmosis by enabling the Red Bank with support for the borrowing and lending of ATOM, axiUSDC and OSMO
- A fully-fledged Mars Outpost consists of three components released in phases: first, the Red Bank, a lending protocol; second, the Fields of Mars, which feature individually-collateralized leveraged yield farming vaults; and later Rover, a cross-collateralized credit account protocol
- After its expected launch on Feb. 7, 2023, that means the Red Bank can potentially be used to power leveraged yield farming in the Fields of Mars and later cross-collateralized credit accounts dubbed Rovers that work like subaccounts on centralized exchanges
- A proposal to reward Red Bank depositors with MARS rewards for 30 days is [live in the Mars Forums](#)

Of all of DeFi's foundational building blocks, credit protocols are among the most powerful. They allow traders and smart contracts to lend and borrow tokens in a decentralized setting. This improves capital efficiency by creating a new source of yield and leverage opportunities.

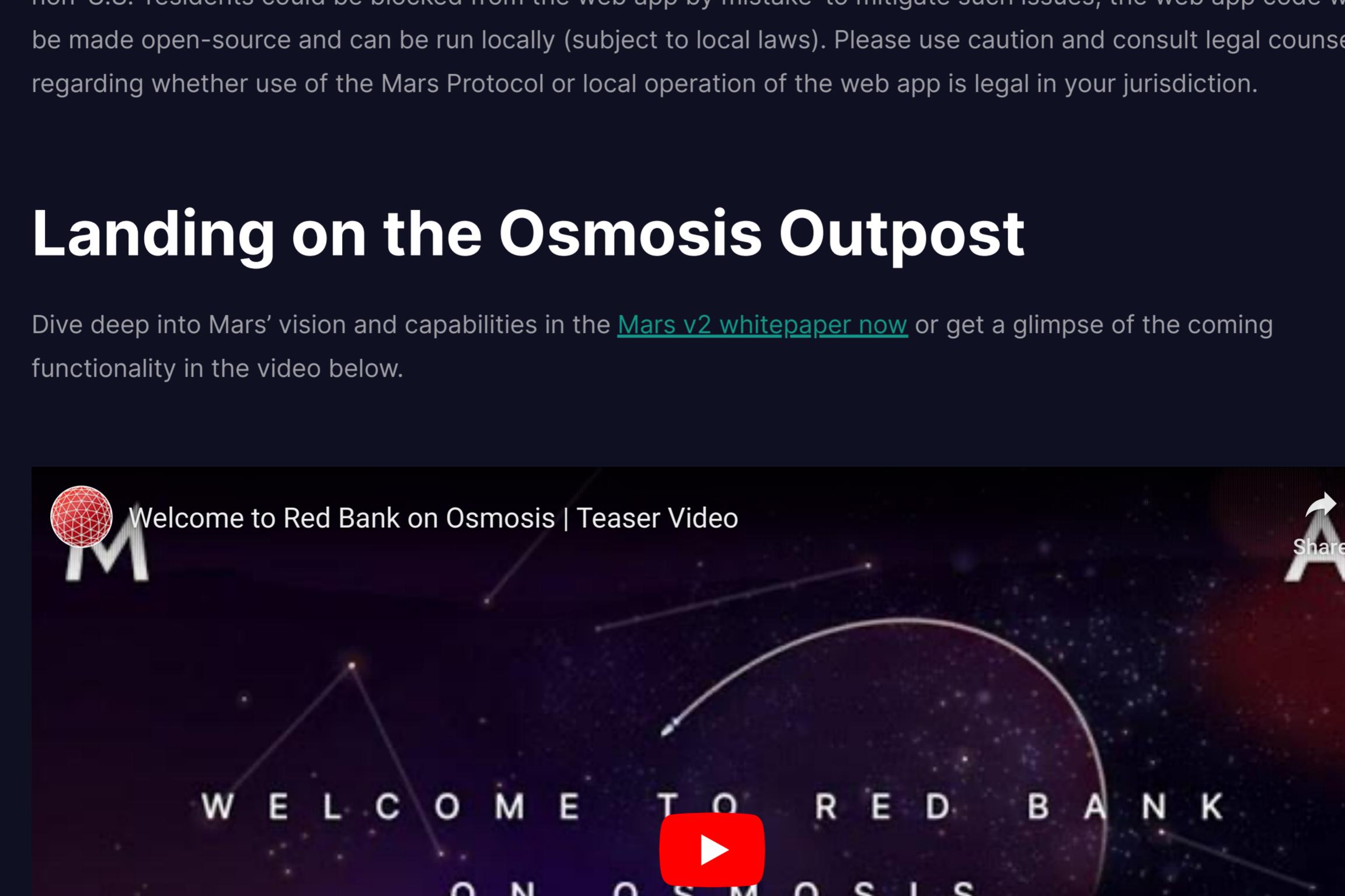
Mars is set to bring its novel credit protocol – dubbed the “Red Bank” – to Cosmos’ leading DEX, [Osmosis](#). It’s a groundbreaking moment for both protocols.

For Mars, it represents the first deployment of a Red Bank outpost on another blockchain. Originally launched on Terra where it successfully processed more than 1.5 million transactions, Mars has been completely re-architected to support any Cosmos SDK chain via a unique “hub and outpost” model. Mars’s own app-chain, Mars Hub, which launched on Jan. 31, 2023, serves as the central “hub” by deploying and communicating with its “outposts” on other chains. This unique architecture will later enable cross-collateralized credit accounts dubbed Rovers that work like subaccounts on centralized exchanges.



For Osmosis, it’s the first time another dApp has been [granted unique deployment powers](#) on its sovereign app-chain. As the leading decentralized exchange (DEX) in the Cosmos, Osmosis already has the ecosystem’s deepest liquidity and highest trading volumes. Now, it’s poised to become home to a full-fledged DeFi ecosystem that supports third-party dApps and maintains interoperability with any Cosmos app-chain. It’s a major step in Osmosis’ transformation to a general purpose smart contracting platform with a vibrant ecosystem of developers and dApps.

## The rise of the Osmosis Outpost



Expected to launch on Feb. 7, 2023, the Osmosis Outpost will initially support three assets for lending and borrowing: Axelar USDC (axiUSDC), Cosmos Hub (ATOM), and Osmosis (OSMO). Explorers will be able to navigate to [Marsprotocol.io](#), connect their wallets, and deposit assets into the Red Bank Outpost on Osmosis for yield. Optionally, users can then tap their deposits as collateral to borrow additional tokens. To prioritize stability and security, all assets will be subject to an initial deposit cap in the Red Bank as shown below.

ASSET	INITIAL DEPOSIT CAP
ATOM	100,000 ATOM
axiUSDC	500,000 axiUSDC
OSMO	2,500,000 OSMO

As the outpost stabilizes, the Martian Council will have the ability to raise deposit caps and add support for additional tokens that adhere to the [Mars Risk Framework 2.0](#).

More importantly, the outpost lays the foundation for advanced DeFi functionality on Osmosis. Beyond borrowing and lending, developers throughout the galaxy can potentially use the Red Bank as a core primitive for the creation of vaults, leveraged yield farms, flash loan protocols and more.

## Setting the stage for leveraged yield farming and credit accounts on Osmosis

Earlier today, Osmosis [approved a governance vote](#) giving Mars the ability to deploy code on Osmosis. The protocol also [upgraded its time-weighted average price \(TWAP\)](#) oracle from an arithmetic mean (AM) TWAP to a geometric mean (GM) TWAP. This increases the efficiency of pricing ticks on its concentrated liquidity pools and ensures Osmosis liquidity pools are more resistant to manipulation.

After at least two weeks of stable operation, the Martian Council can use these oracles to potentially activate the Farm on-chain. That will give explorers the ability to enter leveraged yield farming (LYF) vaults for token pairs including OSMO-ATOM with a few mouse clicks.

Initially, each LYF position will require its own isolated collateral. Later, the Martian Council can opt to enable cross-collateralized credit accounts dubbed Rovers. Designed to give their pilots DeFi superpowers, Rovers are engineered to support virtually every activity users might encounter on centralized exchanges (pending approval by the Martian Council): spot trading, margin trading, lending and borrowing — all in a single decentralized credit account on Osmosis that’s represented by a transferable NFT.

## Jurisdictional limitations

[Marsprotocol.io](#)’s Terms of Service will prohibit use of Outposts on the web app from, or by persons ordinarily resident in, the United States and its territories and will have both IP-blocking and dynamic VPN-blocking to enforce this prohibition. This measure is being taken in light of legal uncertainties existing in the aftermath of the [CFTC’s actions relating to bZx/Ooki protocol and to enable the web app to be used more broadly by persons outside the United States](#). A downside of IP-blocking and VPN-blocking is that “false positives” can occur whereby non-U.S.-residents could be blocked from the web app by mistake—to mitigate such issues, the web app code will be made open-source and can be run locally (subject to local laws). Please use caution and consult legal counsel regarding whether use of the Mars Protocol or local operation of the web app is legal in your jurisdiction.

## Landing on the Osmosis Outpost

Dive deep into Mars’ vision and capabilities in the [Mars v2 whitepaper now](#) or get a glimpse of the coming functionality in the video below.



Mars Hub aims to recreate the CeFi trading experience in DeFi. With the imminent deployment of the Osmosis Outpost, the journey truly begins. Follow [Mars](#) and [Osmosis](#) on Twitter for critical updates.

## About Mars

Mars is a novel interchain credit protocol primitive facilitating non-custodial borrowing and lending for the Cosmos ecosystem and beyond. Its hub and outpost architecture allows Mars to operate on any chain in the Cosmoverse, and enables a new primitive: the Rover. Rovers can give their pilots DeFi superpowers to engage in virtually every activity they might encounter on a centralized exchange: spot trading, margin trading, lending and borrowing — all in a single decentralized credit account represented by a transferable NFT. Explore it now at [marsprotocol.io](#) or in the [Mars v2 Whitepaper](#).

## About Osmosis

Osmosis is an advanced automated market maker (AMM) protocol that allows developers to build customized AMMs with sovereign liquidity pools. Built using the Cosmos SDK, Osmosis utilizes Inter-Blockchain Communication (IBC) to enable cross-chain transactions. Learn more at [Osmosis.zone](#).



Follow [Mars on Twitter](#) and subscribe to [Mars’ email newsletter](#) for the latest updates from Mission Control.

## DISCLAIMER

Remember, Cosmos, Osmosis and Mars are experimental technologies. This article does not constitute investment advice and is subject to and limited by the [Mars disclaimers](#), which you should review before interacting with the protocol.



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Releasing Mars Protocol's frontend & liquidation bot source code galaxy-wide



Next post

Mars Hub is live

