Summary

Stader proposes addition of sFTMX as collateral to Aave v3 Fantom market. Here's why sFTMX will be a strong addition to the Aave v3 Fantom market:

1. About Staderlabs: sFTMX is built by [StaderLabs](), a multi-chain staking infrastructure provider, with ~55 mn$ in assets across Fantom, Polygon, Hedera. At its peak, Staderlabs managed ~1 bn $ in TVL, with a significant portion of that on Terra (which has since dropped with recent events)

2. About sFTMX:

a. sFTMX is an ERC20 token that represents the user's staked assets and accrued rewards. sFTMX increases in value relative to FTM as staking rewards accrue

b. sFTMX has been audited by top security audit firms [Halborn]() and [Peckshield]()

c. Price feed: A calculated price feed (not market price feed) from Chainlink is in the works and is expected to be available in approximately 3-4 weeks

1. Liquidity for sFTMX:

a. sFTMX has built good liquidity on Fantom in just a month from launch, with ~4.2 mn $ of liquidity for our FTM <> sFTMX pool on Beethoven X, ~2 mn $ of liquidity for FTM <> sFTMX on Spookyswap, ~0.4 mn $ of liquidity for our sFTMX <> USDC pool on Beethoven X

1. Benefits to AAVE and Fantom:

a. With sFTMX, FTM holders can participate in both staking and Defi, unlocking new liquidity from staking for Defi, including Aave

b. FTM holders will be able to promote decentralization of Fantom by staking with multiple high performing validators

c. We expect staking participation of the community to increase as sFTMX opens up staking and defi to users on Fantom, potentially increasing staked Fantom from ~50% of circulating supply to a higher number

1. Proposed parameters for sFTMX (in line with wFTM):

a. Max LTV of 25%

b. Liquidation threshold of 45%

c. Liquidation penalty of 15%

Background about Stader

[StaderLabs]() is a multi-chain staking infrastructure provider. We are live on 4 blockchains including Fantom, Polygon, Hedera and Terra.

Within a few months of launch, Stader had ~ 1 Bn USD of total assets staking on the platform at its peak, including

1. ~$1 B of Luna staked (before the recent events on Terra)

2. Over 40k+ users staking with Stader smart contracts

After the recent unfortunate events on Terra that took the price of Luna (and hence our TVL on Terra) to zero, our TVL stands at ~55 Mn USD from Hedera, Fantom and Polygon.

Adding sFTMX to Aave v3 Fantom market

sFTMX is an ERC20 token that represents a user's share of the staked FTM assets with Stader. It is a token that increases in price as the staked FTM accrues staking rewards and these rewards are compounded i.e. sFTMX simply becomes more expensive over time relative to FTM.

Safety and security are paramount for Stader and we do multiple audits of our smart contracts to safeguard user's funds. sFTMX contracts have been audited by reputed audit firms Halborn and Peckshield. Here are the links to the two Audit Reports: [Halborn report]() & [Peckshield report]().

We delegate to a curated set of high performing validators chosen as per the transparent guardrails put down [here]().

You can explore Stader's Liquid Staking for Fantom by going over to the Stader Dapp: https://fantom.staderlabs.com/

FTMscan link to sFTMX is available here: [sFTMX (sFTMX) Token Tracker | FtmScan]()

FTMscan link to staking contract: [Contract Address 0xb458bfc855ab504a8a327720fcef98886065529b | FtmScan](#)

Price feed

A calculated price feed (not market price feed) from Chainlink is under development. Tentative timeline for price feed to be available is in ~3-4 weeks.

sFTMX Liquidity Pools

1. sFTMX LPs are live on Beethoven X, a friendly Balancer fork, leveraging metastable pools for sFTMX<>FTM

2. sFTMX <> FTM Metasable pool with ~4.2 Mn USD liquidity

3. sFTMX <> USD pool with ~0.4 mn USD liquidity

4. sFTMX-FTM LP of ~2 Mn USD also live on Spookyswap, largest native DEX on Fantom

Benefits to Fantom & Aave Community

We have seen ~12.7 million FTM (~4.5 Mn USD) staked to mint sFTMX on Stader in just about a month of launch. We believe sFTMX will be a great addition to Aave v3 Fantom markets as it will unlock several borrowing use cases including leveraged staking, borrowing other assets with sFTMX and potentially several DeGen strategies.

sFTMX can already be used by Fantom community across DEXs like Spookyswap, Beethoven X, Spiritswap and yield optimizers like Beefy finance, Reaper farm, Liquid driver and lending/borrowing protocols like Tarot, Creditum, Market XYZ and Spiritswap lending network. We expect sFTMX to continue to grow in demand as we integrate across more ecosystem partners and also increase overall staking participation in Fantom. Aave will offer significant lending offerings for sFTMX driving a lot of FTM community to Aave.

Parameters

We propose the following risk parameters for sFTMX in line with wFTM as sFTMX is backed by FTM staked via Stader's contract.

Parameter

wFTM

Proposed for sFTMX

Max LTV

25%

25%

Liquidation threshold

45%

45%

Liquidation penalty

15%

15%

We would like to hear feedback and update any specific information/ parameters as suggested by the Fantom and Aave community.