

Providing standard AMM liquidity

Raydium's liquidity pools allow anyone to provide liquidity by adding their assets to a pool. How to add liquidity to a pool: 1.

1. 2. Navigate to the 'Liquidity' tab on the app and connect your wallet.

1. Select the tokens you wish to add to the liquidity pool. You must add liquidity to the pool in the form of two tokens at a 1:1 ratio according to USD value. Enter the amount of the first coin you wish to add, the second coin will adjust to match a 1:1 ratio. Then click 'Supply'. You will then need to approve the transaction in your wallet.

You should see a confirmation for the transaction. You should now be able to view your LP tokens in your wallet balance.

You have now successfully added to Raydium's liquidity pool. If you wish to reclaim your tokens, simply click 'Remove Liquidity' and confirm the transactions.

That's it, you're now a liquidity provider on Raydium! Liquidity pool explanation: When you add to a pool you will receive Liquidity Provider tokens (LP tokens). For example, if a user deposited RAY and USDC into a pool, you would receive RAY-USDC RLP tokens. These tokens represent a proportional share of the pooled assets, allowing a user to reclaim their funds at any point. Every time a user swaps between RAY and USDC, a 0.25% fee is taken on the trade. 0.22% of that trade goes back to the LP pool. 0.03% of that goes to buy back RAY. * Previously, if there were 100 RLP tokens representing 100 USDC and 100 RAY, each token would be worth 1 USDC & 1 RAY. * If one user trades 10 USDC for 10 RAY, and another traded 10 RAY for 10 USDC, then there would now be 100.022 USDC and 100.022 RAY. * This means each LP token would be worth 1.00022 USDC and 1.00022 RAY now when it is now withdrawn. If you are unfamiliar with the concept of impermanent loss, [reviewing this article](#) for a basic understanding is highly recommended. [Previous Estimated APR Calculations](#) [Next Farms](#) Last modified 10mo ago