# Proposal

A new Polygon AMM Marke

t featuring LP tokens from Polygon's most liquid DEX: Quickswap

# Why

AMM Markets enable the ability to unlock the liquidity of your LP tokens, especially in the case where there are no incentivized staking options for a particular pair, while still earning swap fees.

Before the recent market downturn, Quickswap neared $1B in total liquidity. Popular pairs involving ETH, BTC, MATIC, and stablecoins are among the most liquid pairs. The volume on these top pairs in respect to their liquidity rivals Uniswap V2 on Ethereum L1, consistently providing a healthy return of fees to liquidity providers.

There are currently only 2 options for borrowing against LP tokens on Aave and they are both on Ethereum mainnet and require wrapping Uniswap v3 positions before depositing. Currently, the total market size of this AMM market is only $10M. I believe this AMM market is not being utilized more due to high gas costs of Uniswap V3 on L1 along with the gas costs of wrapping these positions before being able to deposit them into Aave.

A Polygon AMM Market would enable a much cheaper gas alternative for users to use LP tokens as collateral in DeFi.

# Details

Create a new AMM market on the Polygon PoS network for LP's starting with the following tokens:

- USDC
- Max LTV 80%, Liquidation Threshold (LT) 85%
- DAI
- Max LTV 75%, Liquidation Threshold (LT) 80%
- USDT
- Max LTV ?, Liquidation Threshold (LT) ?
- MATIC
- Max LTV 65%, Liquidation Threshold (LT) 70%
- ETH
- Max LTV 80%, Liquidation Threshold (LT) 82.5%
- WBTC
- Max LTV 70%, Liquidation Threshold (LT) 75%
- GHST
- Max LTV 25%, Liquidation Threshold (LT) 45%
- QS USDC/ETH
- Max LTV 70%, Liquidation Threshold (LT) 75%
- QS MATIC/ETH
- Max LTV 60%, Liquidation Threshold (LT) 65%
- QS WBTC/ETH
- Max LTV 70%, Liquidation Threshold (LT) 75%
- QS USDC/DAI
- Max LTV 80%, Liquidation Threshold (LT) 85%

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- Max LTV 80%, Liquidation Threshold (LT) 85%

# Deployment

Depending on the readiness of Aave V3, this deployment could either be deployed to V2 and later be upgraded to V3, or wait to be deployed straight onto V3.