

Rebasing Tokens

This page explains the unique risks of LPing rebasing tokens. Certain tokens in the crypto ecosystem are rebasing tokens. Rebasing tokens are a type of cryptocurrency whose supply is adjusted algorithmically (i.e., by burning or minting) in order to maintain a certain value. USD+ and stETH are examples of a rebasing token.

Do not confuse a rebasing token like USD+ or stETH with a compounding token like wstETH. Compounding tokens use a different mechanism to preserve value and are not affected by the issues explained on this page. If you choose to LP a rebasing token on Maverick, you will not collect any positive rebase you would have earned by holding that token. Instead, positive rebase will show up in the AMM as protocol fee.

It is also possible that a rebasing token will have so much negative rebase that a pool containing it will be left insolvent, and LPs may not be able to extract their funds.

As ever, make sure to educate yourself on the nature of any tokens you plan to use, and be sure you understand your personal risk before using Maverick or its services. Please see our [Terms of Service](#) for more information.

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