

The Conclusion of Cycle Zero: Weekly Cycles and Staked TOKE Migration

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Weekly Cycles and Migration tl;dr

- Pre-liquidity deployment “phase” Cycle Zero is concluding, as we enter official liquidity deployment with active liquidity direction
- Action Required for single asset TOKE stakers:

Starting today Feb 23

, all Liquidity Directors (TOKE stakers) will have one week to migrate to the new TOKE staking contract for the purposes of officially directing liquidity

- New staking contract address: 0x96F98Ed74639689C3A11daf38ef86E59F43417D3
- TOKE stakers in the existing contract will continue to earn rewards for one week (1 Cycle)

following the new migration contract’s deployment, but after that they must be migrated to keep earning TOKE

- Migration is only required for single TOKE stakers aka Liquidity Directors (TOKE/ETH LP stakers and Token/Pair Liquidity Providers require no action)
- Migration requires a single transaction via the website (walkthrough below)
- Staking TOKE to the new contract no longer provides users with tTOKE
- Liquidity Directors’ (TOKE stakers) existing votes will remain in place upon migration
- Cycles will now shift from daily to weekly (as originally intended when we entered active liquidity deployment)
- Earned rewards will be available to claim today (two days early), as we start with new weekly Cycles beginning on Wednesdays
- tABC/ABC Curve pools are being stood up for for tAssets for each Token Reactor (with initial liquidity provided by the treasury), enabling users to get in and out of tAssets faster if they wish to avoid waiting for a weekly Cycle rollover, as well as added composability

The End of Cycle Zero

“Cycle Zero” was what we referred to as our pre-liquidity deployment phase, to familiarize users with the concept of Cycles and staking TOKE while we continued to prep and audit the contracts for liquidity deployment as well as progressively build out the UI.

Over the past few weeks, we’ve begun a slow roll out of Pair Reactor liquidity deployment, with approximately ~76MM currently deployed in various Curve pools. In the next week or two, we’ll begin the process of deploying assets from the Token Reactors (preliminarily with only ETH) from the ETH Pair Reactor to Uniswap (v2) and Sushiswap. In preparation for that, we’re transitioning our daily Cycles to weekly Cycles, as had been intended from Tokemak’s conception for active liquidity deployment.

Weekly Cycles

The weekly Cycle design for active liquidity deployment is an intentional early-stage Tokemak structure to allow for time for

liquidity direction choices, calibrate deployments, and stage withdrawals given volatility in market conditions. You can read more about Cycles [here](#), but as a quick reminder:

- When liquidity deployment begins, your assets deposited will not be deployed as liquidity until the start of the next Cycle
- If you deposit assets as an LP or stake TOKE as an LD mid-Cycle, you'll begin to earn TOKE at the start of the next Cycle
- When you want to withdraw, you must first "request" to withdraw, and assets will only then be able to be fully withdrawn at the start of the next Cycle or you may choose to trade out of an asset in its Curve tABC pool
- At the end of each weekly Cycle, there will be a brief rebalancing phase where liquidity will be pulled in and deployed as needed — this window may likely vary in time from Cycle to Cycle, although the Cycle start times will remain fixed early PST on Wednesdays
- TOKE rewards are only claimable weekly at the time of Cycle rollover (now Wednesday mornings PST)

tABC/ABC Curve Pools

Although Cycles are shifting to weekly, Tokemak is seeding tABC/ABC Curve pools for each Token Reactor using tAssets from the reserves to give users the ability to readily trade in and out of their tAssets throughout the weekly Cycle. These tABC/ABC Curve pools will also act as the current default vote for Liquidity Directors for Token Reactors: tALCX/ALCX, tAPW/APW, tGAMMA/GAMMA, tFOX/FOX, tFXS/FXS, tSNX/SNX, tSUSHI/SUSHI, tTCR/TCR

These tABC/ABC pools will also enable further composability with your tAssets! Fun! :D

Liquidity Director (staked TOKE) Contract Migration

In addition to the implementation of weekly Cycles, it's time to deploy the TOKE staking contract that has the full functionality required for liquidity direction. This will require all current TOKE stakers to migrate to this contract. There are a few important things to note about the new TOKE staking contract:

There are a number of guardrails in place to make Liquidity Providers whole in the event of impermanent loss, which can be found dissected [here](#). In the event an LP cannot be made whole from assets in a Token Reactor's reserve or protocol-wide asset surpluses, TOKE staked by Liquidity Directors can experience potential slashing. While our guardrails are set extremely conservatively to avoid the risk of TOKE slashing, this new contract allows for that possibility. As our mechanics evolve, there may even be a point where we render this backstop as unneeded (more on this soon).

Beginning in one week (after this first weekly Cycle

) and upon liquidity deployment from Token Reactors, TOKE votes will begin acting as this last resort of IL mitigation. Prior to those Token Reactor LP asset liquidity deployment (this first weekly Cycle), TOKE stakers will not be liable for IL protection. We will release an article on IL mitigation next week, as well as add some updates to the docs linked above.

As a result of the new contract, staking TOKE to direct liquidity no longer results in providing users tTOKE

as it had in the past. tTOKE, like all tABC assets, was a 1:1 claim to the underlying staked TOKE. To be clear, that will no longer exist with the new staking contract.

TOKE Migration Walkthrough

Migrating your TOKE to the new contract is easy. It's front and center on the dApp as a new, UI addition and requires a single transaction to execute. Once migrated, this notification will disappear from the UI. TOKE staked in the old contract will continue to earn rewards for 1 week, but after that they must be migrated to the new contract to continue earning TOKE.

Clicking the "MIGRATE TOKE" button will trigger a wallet transaction:

When the transaction is executed, there will be a "MIGRATION IN PROGRESS" notification as well as an Etherscan link to the transaction:

When the transaction is complete, there will be a "MIGRATION SUCCESSFUL" message, and you're good to go:

After migrating, any previously allocated TOKE votes should remain in place. If you haven't allocated votes, please remember to vote to Reactors in order to earn TOKE. This requires a gasless signature.

Audits + Roadmap Coming

We'll be releasing an Omniscia audit today which includes the staking contract and a Trail of Bits audit will also be released next week.

Some pilots in the Discord have been asking about a roadmap. We hear you and we'll be transcribing our internal plan to shine some light onto what we have in store in the next few months, even if there are some moving targets. You can expect that in the next week as well.

We're also looking to implement some small Discord organizational changes, as well as plan for an AMA with some of the core team. Stay tuned for more info on that.

That's it for now, but much more coming soon. Each week we get closer to Token Reactor liquidity deployment into DEXs and we're proud to have our Tokemech Pilots alongside us for the ride.

Questions? Join us in the Tokemak Discord:

Discord: <https://discord.com/invite/tokemak>

Website: <https://www.tokemak.xyz/>

Medium: <https://medium.com/tokemak>

Twitter: <https://twitter.com/tokenreactor>

