

Sharing some of the work the Terra team has been doing on money markets that leverage PoS staking derivatives. We've released a paper outlining a money market protocol called Anchor which you can find [here](#). In a nutshell:

- Stablecoin rates on money markets like Compound are highly cyclical. Widespread adoption of a stablecoin savings product requires more predictable rates.
- Anchor implements a money market that accepts PoS staking derivatives as collateral.
- A variable portion of block rewards from collateral is paid to depositors to reduce rate volatility.

I think Anchor could be an interesting application in Ethereum 2.0 by taking ETH derivatives for collateral. Any parts of Ethereum 2.0 roadmap we should be considering to make this happen?

Look forward to thoughts, feedback or suggested research directions!