

## Overview

1inch, a liquidity aggregator and decentralized exchange, [is launching](#) LDO/stETH pair and starting a liquidity mining program on that pair. 1inch AMM has a [unique feature](#) to smoothen short-term volatility spikes and redirect trading return from them to liquidity providers, which leads to lower volatility and more stable price in the long term. To collaborate and reciprocate, I propose to combine this program with LDO incentives for providing liquidity as well.

## Proposal

The DAO will provide 250,000 LDO tokens to be distributed to LP on 1inch exchange proportional to the amount of liquidity and timespan of providing it, counting from the period liquidity mining incentives on 1inch start and until 4 weeks pass.

250,000 is a nice round number chosen to roughly match the 1inch contribution, and Opium's one from the other 1inch liquidity mining pool.

They will be distributed in form of a claimable airdrop 30 days from February 2 (so, on March 3, 2020). That way the devs have a day to compute a snapshot and deploy the airdrop contract, and the DAO will take a day to vote on the token transfer.

The continuation of this program, tweaking of numerical parameters, as well as making it into a more complex dual-incentive smart contract instead of an airdrop is to be decided later when the effects of the current liquidity mining program can be evaluated

## Discussion

Points of interest:

- Combined with low float and high 1inch incentives this proposal can make LDO price very volatile short-term. This much is inevitable, but we can communicate that LDO trades are especially risky these days. How do we do it?