

Tempus is ready to start working on integrating stETH into its core product offering.

Introduction

[Tempus](#) is an early-stage DeFi startup backed by Lemniscap, Divergence VC, Tomahawk.VC, GSR, Wintermute and others. The team is developing a decentralized marketplace on future yield. Once deployed, users will be able to optimize their exposure to existing variable yield based on their risk profile.

Integration of stETH

stETH offers a great potential integration opportunity for Tempus as one of its core offerings due to its relatively high APY, volatility, high TVL and a diverse range of tokenholders.

ETH staking provides stakers with variable rate yield which fluctuates based on market conditions.

This is where Tempus steps in, allowing users to redistribute future ETH staking rewards between each other. Tempus will let users deposit stETH into contracts with select maturities. Tempus will then separate the stETH into tokenized principal and yield positions and allow users to trade these against each other through a custom AMM, which allows for a variety of use cases.

Namely, users will be able to:

1. speculate on the future yield of stETH for profit;
2. optimise their exposure to stETH yield, i.e. fix their future yield on stETH with results in fixed rate ETH staking or leverage up; and
3. allow liquidity providers to earn additional LP yield on their stETH.

Motivation

There is a need to refine the existing market of products and provide users with niche financial tools that help in effectively managing their funds. Users need access to more advanced yield optimization strategies like fixing yield on their stETH, as well as the ability to speculate on future yield for profit. Tempus can achieve this, while ensuring that no funds are locked and users can exit the market whenever they want to. Once deployed, our hope is that this will diversify the range of stETH holders and increase TVL in Lido.

The project is estimated to complete by Q4 2021.

Proposal

A grant of \$30,000 (in the form of LDO tokens) is being requested from the Lido Ecosystem Grant Organization for the development, testing and deployment work associated with the Tempus stETH integration, provided at the completion of the project.

edit: formatting