Understanding Boosted Positions

This page explains the basic concept of Boosted Positions. When a user deposits liquidity into a Maverick pool, they select from several options to open a specific position in that pool. Each position is differentiated by a number of key variables: token pair, fee tier, bin width, liquidity mode, and liquidity distribution. For example, one position might consist of a single Mode Right bin of USDC in the USDC/USDT 1% fee 1% width pool, while another could consist of twenty-one Mode Static bins including both USDC and USDT in the same pool.

Positions offer users a high degree of control and flexibility when it comes to providing liquidity. As Boosted Positions, they also offer a similar degree of precise control when it comes to directing liquidity incentives.

Instead of adding liquidity and creating a regular position, a user can create a Boosted Position (always denoted with a lightning bolt in the UI). A Boosted Position works exactly like any other position, with two important differences:

- 1. other users can add liquidity to a Boosted Position, effectively buying a share in that position
- 2. a Boosted Position can be incentivized with additional token rewards, which are shared among LPs who add liquidity to that Boosted Position

3.

That is to say, users can add more tokens to the Maverick smart contract which will be distributed to LPs who own liquidity in a particular Boosted Position. These incentives function like bribes to other users to add more liquidity to that Boosted Position.

With Maverick's Boosted Positions, users can thus use incentive rewards to attract liquidity in very precise ways.

For example, a new token project looking to bootstrap liquidity for their token (let's call it XYZ) doesn't need LPs to bring more XYZ to Maverick—their treasure already has plenty of it. What they need from users is a quote asset (e.g., ETH) that can be swapped against their XYZ. So they could create a Boosted Position consisting only of ETH in a XYZ/ETH pool and then add incentives to the Boosted Position. This would encourage new LPs to add only ETH to the pool, effectively allowing project XYZ to rent only the liquidity they need for their pool.

Boosted Positions are listed on their own page in the UI, under Add Liquidity. For more information on how to create and incentivize Boosted Positions, please see the directions elsewhere in this section.

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