

Migration, Exiting, and Redemptions

Over 95% of crETH2 has migrated to mevETH, marking this the first LST to do so, and has been a success. At this stage, exiting (entire mevETH shares to ETH), and redemptions (portions of mevETH shares) will be enabled on or before December 6th, 2023. Reward distribution will also take place exactly at the same time after exiting/redemptions are enabled. Reward distribution will take place monthly at a minimum.

Exiting and redemptions have been on delay due to liquidity imbalances. Although gauges have been deployed on a few DEX's, fragmented liquidity has resulted among the various pools, which now creates a large arbitrage opportunity when the first reward distribution is done. The solution to this is to atomically enable exiting while also disbursing the rewards within the same block. Additionally, we will arbitrage the various liquidity pools into equilibrium in this block. The block will be one that MEV Protocol builds, ensuring to capture this arbitrage profit (which may result in as high as 40 ETH worth of profits). These rewards will be used to provide protocol owned liquidity for mevETH pairs. In the event MEV Protocol is unable to construct the block for whatever reason, an existing Builder will help to facilitate this for as a backup. Exiting and redemptions will be enabled regardless, along with the rewards distribution by no later than December 6th, 2023.

mevETH Liquidity

For those unfamiliar, mevETH is a LST built on top of the ERC-4626 Vault Token standard. This means there is no rebasing involved, and no need for a wrapped version of the token to be used within DeFi protocols like Curve or Balancer. Simplified, mevETH provides you shares to the tokens vault, which essentially grows in ETH from rewards. To learn more on how ERC-4626 works, check out [this tweet on X](#).

In October, mevETH was added to Yearn Finance's yETH user-governed liquidity pool after winning the Epoch 2 asset inclusion vote. yETH is a basket of the top LST's in the ecosystem, containing the likes of staked ETH from Frax, Swell, Lido, Stader, and Coinbase. It also acts as an AMM between the LST's. Epoch 3 has concluded, with mevETH increasing its weight distribution in the basket.

For those looking to participate as a Liquidity Provider (LP), there are now incentivized pools on Curve and Balancer which you can participate in, or utilize platforms to stake your LP through Convex or Yearn (Curve LP), and Aura (Balancer LP). There is a mevETH/frxETH pool on Curve, and a mevETH/WETH Gyro CLP Pool on Balancer. For those unfamiliar with Gyro pools, these are similar to Concentrated Liquidity pools on Uniswap V3, but used on Balancer. This makes the liquidity far more capital efficient. Learn more about Gyro Pools [here](#). Below are the links to all the pools listed above:

Curve - mevETH/frxETH:

<https://curve.fi/#/ethereum/pools/factory-crypto-318/deposit>

Convex - mevETH/frxETH:

<https://www.convexfinance.com/stake/ethereum/261>

Yearn - mevETH/frxETH:

[Yearn Vaults](#)

[Yearn Vaults](#)

Let your assets work for you with the best risk-adjusted yields in DeFi.

Balancer - mevETH/WETH (Gyrp CLP link below):

<app.balancer.fi>

[Balancer](#)

A UI that supports core Balancer protocol functionality. Explore & create pools, manage liquidity, swap tokens, get veBAL and claim incentives.

<app.gyro.finance>

[Gyroscope Protocol](#)

Gyroscope: an asset-backed stablecoin built on resilient DeFi infrastructure leveraging a diversified reserve, autonomous monetary policy, and innovative AMMs

Aura - mevETH/WETH (Gyrp CLP):

<app.aura.finance>

[Aura Finance](#)

Boosting DeFi yield potential and governance power

Thanks to supportive governance in Curve, Convex, Yearn, and Frax, boosted LP pools are now a part of the biweekly Gauge votes. Liquidity provision and staking is not without risks. Always be sure to understand risks associated with providing liquidity on any of these platforms.

Curve pools offer CRV rewards based on your locked veCRV and the pool trading fees. Balancer pools offer BAL rewards based on your locked veBAL, along with trading fees from the pool. Staking through Convex, Yearn, and Aura will provide CVX, CRV, and AURA rewards respectively.

MEV Future Slot Auction

The new additional MEV Auction being developed has been finalized in terms of specification and requirements. Testnet is expected at the end of December, with the first version going live in mid-January. There are 4 planned upgrades for the auction, with the first version being entirely permissioned and being implemented in a custom OP-based Rollup solution. This rollup will be LST agnostic, meaning builders and searchers will be able to deposit mevETH and other participating LST's into the L1 deposit contract to access the L2 Auction system for the blockspace futures protocol that lives on the L2.

The new MEV Slot Auction system does not require LST's to migrate or move their staked ETH or even change any operational procedures as part of their ordinary course of operations for their validator set. All they have to do is to change their relay endpoint to the new Manifold Relay endpoint and use it exclusively. MEV Protocol is working with another relay provider to provide additional redundancy and SLA guarantees to other LST's so that they can participate in the new Auction system. As more participation occurs in the Auction system, the market will grow stronger and provide more opportunities to all the participating validators to earn additional MEV.

The new Auction enables more MEV by enabling 'Searchers' the ability to include their own transactions without having to be vertically integrated into 'Builders'. Builders are the 'Block Builders/Proposers', whereas 'Searchers' are typically smaller arbitrage traders who may not necessarily have enough transactions to justify trying to build their own block. By splitting the block into two parts, both backwards compatibility with MEV Boost is maintained (thus making this trivial for any Node Operator to adopt), and ensure that Validators are getting the most value out of their slots possible.

The new Auction system will be implemented as a smart contract protocol launched on a new L2. The Rollup will eventually enable things like ETH Options trading on the underlying contracts that the MEV Slot Auction produces. Think GMX for ETH Options, but actually usable

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There will be a follow up post with more detailed specifics on the entire Auction system and mechanism design in the coming days.

Frontend Upgrades

A new frontend is in the works, which will provide users a seamless dashboard to track their accrued rewards, view all current incentives, and provide ways to earn additional rewards through the new Auction system and other integrations. Users will be able to view accrued rewards on the new frontend, along with trading on the new L2 once the upgrade for secondary market trading is released.

Incentives and Utility Token

MEV Protocol's primary goal is to capture rewards through various avenues involving MEV, and drive that to mevETH. On average over the past few weeks, mevETH has had an APY of over 5%, making it a competitive LST throughout the Ethereum landscape. Over time, mevETH will grow proportionally with the ETH it has garnished from validator rewards, and future planned mechanisms to capture MEV. A new utility token will be released that will control how surplus rewards are distributed to protocol-owned components, such as protocol owned liquidity, protocol owned validator set, protocol owned lending, and other gauges.

A post containing further details on the utility token mechanics will also be released in the coming days.

MEV Protocol Ecosystem

MEV Protocol also has various active partner protocols that are providing meaningful ecosystem involvement, such as 20squares (20 []), Frax Finance, Yearn, C.R.E.A.M., and Manifold Finance.

Members of MEV Protocol will be attending [Columbia Cryptoeconomics 2023](#), held at Columbia University on Dec. 6-7. This two-day workshop will bring together practitioners, researchers, and academics to discuss challenges, recent progress, and opportunities in the economics of blockchain protocols. The workshop will consist of invited keynote presentations, contributed talks, and panel discussions. Specific topics of focus will include, for example, proposer-builder separation, MEV, Layer 1 security rehypothesis/restaking, and roll-ups.

Stay tuned for further updates, and be sure to follow along on all the MEV Protocol socials!

Website:

<https://mev.io>

X (Twitter):

<https://twitter.com/mevdotio>

Telegram:

[Telegram](#)

MEV Protocol

<https://mev.io>

Discord:

[Discord](#)

Join the MEV Protocol Discord Server!

Check out the MEV Protocol community on Discord - hang out with 189 other members and enjoy free voice and text chat.

Forum:

<https://forums.mev.io>

Medium:

[Medium](#)

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