

Deposit Liquidity

Put your assets to work

Anyone can deposit tokens to liquidity pools to become a liquidity provider on SyncSwap and start to earn trading fees from the liquidity.

[Odyssey DAO - How to provide liquidity?](#) Learn more on Odyssey

LP Tokens

By providing liquidity, you will receive Liquidity Pool (LP) tokens. These LP tokens track pro-rata shares of the pool reserves and can be redeemed for the underlying assets at any time.

Trading fees

SyncSwap protocol will charge a trading fee for all trades. The trading fee is 0.1% for Classic pools, where the liquidity providers collect 0.07%, and the protocol collects 0.03%.

That means liquidity providers will earn 0.07% of all trades in the pool. For example, in a trade of 100,000 USDC, 70 USDC are added to the liquidity pool and can be collected by liquidity providers.

Risks

While earning trading fees, providing liquidity does come with the risk of impermanent loss.

Impermanent loss happens when you provide liquidity to a liquidity pool, and the price of your deposited assets changes compared to when you deposited them. The bigger this change is, the more you are exposed to impermanent loss. In this case, the loss means less dollar value at the time of withdrawal than at the time of deposit.

[Impermanent Loss Explained | Binance Academy](#) [Binance Academy](#)

ETH and wETH

WETH is a special version of ETH that has more capabilities. And USDC/ETH and USDC/WETH are the same pool. You can choose either ETH or WETH to collect when withdrawing from the pool.

[What Is Wrapped Ether \(WETH\) and How to Wrap It? | Binance Academy](#) [Binance Academy](#)

[Previous Trading Next Overview](#) Last updated 11 months ago On this page *[Put your assets to work](#) * [LP Tokens](#) * [Trading fees](#) * [Risks](#) * [ETH and wETH](#)