

# Designing a constant volatility AMM

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- TL;DR: Constant volatility AMMs requires the fee rate to change at every txn.
- By computing the fee on a per-trade basis in Uniswap, it is possible to target a constant volatility (eg. 100% annualized) regardless of the actual price dynamics of the underlying assets.
- Trading assets in a constant volatility AMM should feel like a delicate balancing act between slippage & fees.