Bull Market Leveraged Farming (Retired)

TLDR;

The Bull strategy is a slight variation on our Carb Market Leveraged Farming strategy. This strategy rebalances to maintain 1X exposure to a volatile asset like AVAX, ETH, or BTC. The strategy willaccumulate the volatile asset instead of accumulating stable coins (as seen in the CMLF). In fact, as a simple rule of thumb, the vaults will always accumulate the first token in the token pair (e.g. ETH-USDC will accumulate ETH). As a result the strategy is moderately bullish on the price of the underlying strategy but still maintains a viewpoint that overall volatility will be low. In other words the vault will perform well when AVAX, ETH, or BTC trades at a relatively stable price that moderately increases over a given period of time.

For more information on the general mechanics of our PDNs please refer to the Crab Market Leveraged Farming page .

What is a Bull Market Leveraged Farming strategy (BMLF)?

Our BMLF strategy is technically a "Delta 1X Strategy" since it aims to rebalance to bring the vault back to 1X exposure (whereas the CMLF rebalances to bring the vault back to 0X or neutral exposure). Just as with the CMLF the BMLF is targeting 3X leverage to earn 3X the trading fees and farming fees on the underlying DEX (TraderJoe or Pangolin).

How do Aperture BMLF's work?To explain the strategy we'll walk you through an example of how Aperture's smart contract automatically sets up a 3X leveraged WAVAX-USDC LP position with 200 AVAX. With 200 AVAX initial deposit Aperture would borrow 100 AVAX & 300 USDC.

Setup: Deposit 200 AVAX in 3X AVAX/USDC

- Start with 200 AVAX
- Borrow 100 AVAX
- Borrow 300 USDC
- Total 600 (300 USDC + 300 AVAX)
- Combine USDC and AVAX to farm on TraderJoeXYZ
- LP position is now 300 AVAX—300 USDC
-

Previous Rebalancer Next Terra Classic Delta-Neutral Strategy (Retired) Last updated11 months ago On this page *TLDR: * What is a Bull Market Leveraged Farming strategy (BMLF)?

Was this helpful?