

reWARDS May 2022 Budget

May Budget Post

Welcome to the May budget.

The past month has been focused on setting up operations for new networks while continuing to explore bribes and further optimize the spend and deployment of incentives.

stMATIC is starting to scale and stDOT should be coming online later this month (fingers crossed).

This post will be broken into a few sections detailed below and will be open for community feedback for 3 days (72 hours). After which, if there is no contention, will be acted upon.

Updates for each month will be provided in the corresponding monthly threads.

The sections are as follows:

- Operational updates
- Budget and breakdown
- Reasoning
- New experiments
- Operational Goals

Operational Updates

We will be adding Ivan as a new member of the rewards committee as a replacement for Felix, update will be forthcoming with specifics around his key and onboarding. As we handoff between Chorus One and P2P this will make sure change management is up to date.

Budget and Breakdown

The March budget calls for 4,300,000LDO.

4,045,000LDO distributed across the following pools and networks with the remaining held for unaccounted needs during the month.

I want to explicitly call out that we will be testing Uniswap V3 pools this month.

The colors correspond to an increase

or decrease

of LDO for the month. Blue

indicates a test or new incentive.

The spend was lower than budgeted by ~430K LDO due to delayed launch of incentives on Orca (BTC, ETH pools), Atrix for Solana. The remaining is due to lower emissions for ETH Curve (250K) and Balancer bribes (100K).

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image

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Reasoning and Analysis

We are continuing to experiment with bribes and indirect incentives to increase capital efficiency.

Solana

The past month was a very static month with only about 3% growth of stSOL.

We are working to update the Solana dashboards and migrate to the new dune data sets.

Notable changes

- Atrix has continued to be delayed due to ops and liquidity requirements. We are hoping to get that launched this month finally.
- Crema finance launched introducing concentrated liquidity pools.
- Orca launched their Whirlpools which is another concentrated pool option.

Ethereum

Bribing on Balancer had a slow start due to some gauge issues discovered on their end. That has since been remedied.

Notable changes

- We will be testing 33% (100K LDO) of the normal rewards as bribes instead this month. Efficiency looks to be ~3.5X.
- We have further cut back on Curve emissions by another 500K LDO while increasing bribes by 250K LDO.
- [Curve dashboard](#)

Terra (LUNA)

- Astropool have captured a great amount of TVL for stLUNA and less so for stETH & stSOL due to not being the native asset, which is to be expected.
- [Astroport Dashboard](#)

Kusama (KSM)

stKSM has been steadily growing. We are working on operational process to get an oracle price feed to allow deeper integrations in DeFi.

Polkadot (DOT)

We are hoping for stDOT to be launched this month along with the first pools. There is risk of a delay due to technical implementation requirements around XCM.

Polygon (MATIC)

stMATIC is getting ready for a broader roll out this month. We will also be launching a few new pools as we continue opening up the launch.

New Experiments

Uniswap V3 pools will be the focus of this month with incentives. Operationally complex so we expect this to be a slower rollout.

New stablecoin pools. There are a number of new multi-stablecoin pools being explored and Lido is looking to pair st-assets against them. Will update this thread with additional details.

Operational Goals

The goal is to now focus on increasing natural trading volume over the rest of the quarter while lowering net LDO emissions from the treasury for mature networks (ETH/SOL) and rotating increased spend to newer networks. While maintaining the peg is our #1

priority we are becoming more mindful of treasury management and focusing on more sustainable defi behaviors.