Hi all, Honn from the Uniswap Foundation here. Over the past few weeks, we have completed Phase 2 of the Optimism Uniswap Protocol Liquidity Mining Program. With the help of community members, we conducted a retrospective analysis on this phase, further exploring the impact Phase 2 had on Uniswap, Optimism, and the pools at hand.

We'd like to thank@xiz_zelos for their work on the analysis! Full link here:https://medium.com/zelos-research/optimism-uniswap-lm-phrase-2-analysis-69f878e27fe3

Below, we summarize a few key takeaways of the program's impact:

- liquidity in all pools noticeably increased, except OP-USDC 0.05% (which may have been a result of fragmented liquidity w/ a competing pool)
- All trading pools other than USDC-DAI increased in swapping activity
- The wstETH-ETH pool became very active due to people needing to buy the tokens to provide liquidity
- Trading slippage for all pools is significantly lower in time and volume
- The tokens involved with the program were heavily bridged over to Optimism after the program started

With that, the Uniswap Foundation's recommendations for Phase 3 include, but are not limited to:

- Add a long tail asset to assess whether the volume in tokens bridged over are attributed to the Liquidity Mining Program or general popularity of the asset
- Remove the OP-USDC 0.05% pool as it did not result in increased liquidity. This may be due to the presence of OP-USDC 0.3% pool in the same program, fragmenting liquidity
- Cover more ground by avoiding overlap with other ongoing liquidity mining programs

With the success of the previous phases of the Optimism-Uniswap Protocol Liquidity Mining program, we would like to continue empowering the community and liquidity managers to own initiatives on behalf of the ecosystem. For Phase 3, each liquidity manager (Arrakis, DeFi Edge, Gamma, and xToken) will be running point on an equal portion of the remaining 650K OP tokens, with the UF helping to coordinate and minimize overlap.