

One of the key 2022 objectives for Lido is making stETH the DeFi's unit of account. From this point of view, listing stETH on the major money markets is of paramount importance. So far, wstETH has been successfully listed on Maker, and stETH on AAVE is right around the corner, but Lido is also looking to list wstETH on Compound.

In February 2022, the new Compound price oracles are expected to be released, and those are going to use Univ3 as an anchor. This means Compound listing will require wstETH liquidity on Univ3 to be deep enough to provide good price data and to resist price manipulations. There are two ways of achieving it.

1. Put incentives on wstETH<>WETH liquidity pair on Univ3.

This is a natural and efficient way to gain enough liquidity but it isn't trivial in terms of development. We would want to have liquidity concentrated within a specific price range, and due to the growing nature of wstETH price, the incentivized price ranges should be tuned now and then. With development and audits, a proper solution cannot be delivered before mid-March or even later.

1. While waiting for proper Univ3 wstETH<>WETH pair strategy to be developed, the Lido DAO can allocate enough liquidity for this pair from the protocol treasury directly to Univ3

. This would allow Lido's wstETH to get listed on Compound significantly earlier – probably, by a couple of months.

This post aims to initiate a discussion about if the Lido DAO would like to allocate treasury assets worth up to 600 ETH at current prices to obtain a reliable price data source on Univ3 in order to list wstETH on Compound as soon as possible.

Please feel free to ask questions and leave comments. If this proposal gets positive feedback, there will be a snapshot voting in a few days to measure the community sentiment.