Title: ARC Add support for CVX

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References:

Project: https://www.convexfinance.com/

Whitepaper: https://raw.githubusercontent.com/Convex-Dev/design/main/papers/convex-whitepaper.pdf

Github: convex-eth · GitHub

Documentation: Welcome to Convex Finance - ConvexFinance

App: https://www.convexfinance.com/stake

Audit: audits_public/Convex Platform at master · mixbytes/audits_public · GitHub

Dune: https://dune.xyz/Marcov/Convex-Finance

CVX: $17.44 | Convex Token (CVX) Token Tracker | Etherscan

Chainlink: Ethereum Data Feeds | Chainlink Documentation

Twitter: https://twitter.com/convexfinance

Telegram: Telegram: Contact @convexEthChat

Discord: Convex Finance

Summary

The Llama Community would like to ask for your support in listing CVX as a collateral asset. CVX is the governance token of the Convex Finance protocol.

Motivation

CVX is not currently listed on major lending markets, including CVX on the platform would allow Aave to benefit from the first mover advantage. This has the potential to be a meaningful high vol asset revenue source. CRV is currently the fifth highest earn asset on the Aave V2 Market and has generated 190.33k aCRV tokens in revenue worth around $578.04k at the time of writing.

In addition to the lending and borrowing demand, the aCVX revenue can be used to support directing CRV and CVX incentives distribution to those who stake Curve Liquidity Provider tokens on Convex Finance. Further details can be found here.

Specification

1. What is the link between the author of the AIP and the Asset?

Llama Community has presented a proposal to deposit Aave community funds into Curve and Convex Finance. Listing CVX on Aave enables Aave to earn aCVX tokens which can then be used to support the treasury management proposal detailed here.

1. Provide a brief high-level overview of the project and the token?

Convex allows Curve.fi liquidity providers to earn trading fees, CVX liquidity mining and boosted $CRV rewards without having to lock and use their boosting power with veCRV... Adding support for $CVX will in turn provide future opportunities as Convex will also support other protocols in time. ie: FXS

CVX is the governance token of the Convex protocol. By locking $CRV for life on Convex, each user gives his veCRV voting power to vlCVX holders (CVX lockers). Every vlCVX holders can vote on Convex governance proposals but also Curve governance proposals and gauges weights (5.05 veCRV/vlCVX). In the future, each vlCVX holders will control voting power on other tokens like FXS (users already can lock for life FXS for cvxFXS but vlCVX holders cannot vote on Frax governance proposals and gauges weights).

1. Explain positioning of token in the AAVE ecosystem. Why would it be a good borrow or collateral asset?

CVX would make an excellent fit for collateral in the Aave ecosystem. Adding CVX creates another use case outside of the Convex tokenomics model. Llama expects the CVX demand to be similar to CRV. Additionally:

- Significant Borrow Demand: Users can borrow CVX and then either stake or lock the CVX token to earn yield. In addition to direct yield, investors may borrow CVX to lock and then influence how the inflation schedule of CRV and CVX is distributed. CRV has one of the highest utilisations and dollar value borrowed of all high volatility assets listed on Aave V2.
- CVX holders can deposit (lend) CVX and then borrow stablecoins for farming, going leveraged long/short, and implementing structured products (e.g. carry trade).

Llama Community intends to use the aCVX revenue generated to support Treasury Management activities. In this instance, aCVX could be redeemed and locked on Convex to then influence how the CRV and CVX inflation schedule is distributed. Llama Community intends to use the CVX to support growing the Aave and sAave Curve liquidity pools.

There is $43.2M TVL on the sAAVE pool and $11.8M TVL on the AAVE pool on Convex.

The Convex community is looking forward to lending and borrowing CVX on Aave. The community will enjoy extra revenues from the reserve factor.

1. Provide a brief history of the project and the different components: DAO (is it live?), products (are they live?). How did it overcome some of the challenges it faced?

Convex, as DeFi farmers themselves, the team needed a platform that allowed users to receive the max boost possible from CRV in a simplified manner and allow users to collect their actual rewards directly without auto-selling. They also believe CRV stakers should be rewarded more as they are effectively, mining together with Liquidity Providers. They intend to change that with Convex by charging a lower performance fee, returning fees back to the CRV stakers and CVX token holders, and distributing rewards directly.

The concept of Convex was published to the public on April 15, 2021 with the protocol launching on May 17, 2021.

30th April 2021 - Convex platform was whitelisted on the Curve platform

17th May 2022 - Convex was released

7th September 2021 - CVX vote locking went live

1. How is the asset currently used?

The CVX token governs over 559M$ worth of CRV locked in the protocol (and $4M worth of CVX in the Convex treasury multisig). CVX is currently only available on 2 Fuse pools, however there is no liquidity there.

1. Emission schedule

The emission schedule can be found here.

1. Token (& Protocol) permissions (minting) and upgradability. Is there a multisig? What can it do? Who are the signers?

Convex multisig can be found here.

1. Market data (Market Cap, 24h Volume, Volatility, Exchanges, Maturity)
2. Market capitalisation: $1.35B
3. Average daily volume on the 30 last days: $25,918,420.66
4. CVX is listed on many exchanges, the largest being Gate.io, Sushiswap, Uniswap and Binance Source: https://www.coingecko.com/en/coins/convex-finance#markets
5. veCRV controlled /vlCVX: 5.05 veCRV/vlCVX
6. Social channels data (Size of communities, activity on Github)
7. Discord: 5,920 members
8. Twitter: 37.7k followers
9. Github: 22 followers
10. Contracts date of deployments, number of transactions, number of holders for tokens
11. Date of Deployment: May, 17 2021

12. Number of Transactions: 437,543

13. Number of holders for token: 9,801