Decentralized Finance (DeFi)

The blockchain space has seen a lot of innovation since DeFi summer in 2020. However, public blockchain is still struggling with MEV (Miner Extractable Value) and de facto anyone swapping through AMMs are subject to front-running or sandwich attack. More than 611million was[collected in MEV since January 2020](#) .

How Secret Solves MEV

These problems are solved with Secret by having an encrypted state and a validators set which know nothing about the transactions they are processing.

You will be able to use the standard DeFi primitives such as lending, borrowing and providing liquidity in pools without revealing your liquidation targets, your position size or your strategies as all your interactions are private.

Future DeFi landscape on Secret

Let's now talk about what could be built on Secret (or what's being built).

We could have a private credit scoring enabling you to borrow more with less collateral or even without.

Borrowing stablecoins against your assets and providing liquidity on an AMM on Secret or on Cosmos chain through IBC smart contract call, all of that privately is opening the field of new revenue opportunities.

Secret could also enable DAOs treasury assets and farming positions to only be visible to the DAO community.

Shade Protocol is launching an algorithmic stablecoin (SILK) pegged to a basket of currencies and commodities for maximum volatility shock absorption.

Learn more -->[What Is Shade Protocol?](#)

Dark Pools

Large investors are using dark pools in traditional finance for huge transactions. They are then subject to front-running from High-Frequency Trading firms. Private dark pools on Secret could lead to a massive amount of liquidity exchanged and finally provide foundations for the institutions and big players to enter the DeFi space with Secret.

Source:[Pros and Cons of Dark Pools of Liquidity](#)

More about DeFi dApp on Secret? [Sienna Network](#) -[Button Group](#) -[Shade Protocol](#)