Liquidity Unleashed: A Research-driven Analysis of Post-Shanghai LSDs

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Ethereum Staking Basics

- Consensus layer rewards: Attestation, block proposal, sync committee
- Execution layer rewards: Txn fee (EIP-1559), MEV

data: Rewards chart

The Merge and Shapella Upgrade

LSDs in 2023

Data: Dune Analytics

Liquid Staking Pools as Banks

	Banks	Liquid Staking Pools
Invests in	Loans	Beacon Chain
Deposits	Deposits	ETH Deposits

Supply and Demand Analysis

How Liquid are LSDs, Really?

Introducing quantitative measures of liquidity queues

Risks

- Liquidity risk: e.g. CRV exploit (this July)
- Price risk: e.g. ETH price drop
- Bank runs

More Risks

- APR drop
- Inflationary ETH

LSD Risk Simulations

References I

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