

dForce Global Community Call, November 2022

On November 4th, dForce held a global community call to talk about the wrap-up of business, industry insights, and roadmap. Read along for the recap and full transcript!

TL;DR

In the past 6 months,

- We deployed dForce protocols on Avalanche, Polygon, Kava, Arbitrum and Optimism
- dForce bridge was deployed on Avalanche to facilitate instant and low-cost transfer of USX and DF tokens across different blockchains
- We participated in liquidity mining 2.0 launched by Polygon and got rewarded with MATIC tokens
- LoopFi announced support for dForce staking on Arbitrum. LoopFi provides liquid solution for time-logged VDF which means DF holders can earn maximized staking yield while having the flexibility to exit from dForce staking at any time. This is similar to how Convex covers Curve by offering boosted staking rewards.
- dForce launched LSR(liquid stability reserve) to enable 1:1 swap between USX and the number of most widely adopted stablecoins. This helps USX maintain its dollar peg more efficiently.
- dForce trade was upgraded to support more cryptocurrencies, the previous version only supported USX and DF
- We received 300K OP tokens from Optimism. Of the 300k OP tokens received from Optimism, 50% OP will be distributed through liquidity mining, 30% will be allocated for developers to build on dForce, and 20% will be used for marketing activities. We plan to kick start liquidity mining in 2-3 months from now
- dForce partnered with core partners in the blockchain space, including Binance and Arbitrum to conduct AMAs and thought-leadership discussions. dForce continues to hold large partnerships because we feel it's important even in this bear market
- Our key focus is layer 2 multichain expansions. Our liquidity mining initiatives are focused on layer 2 as well.
- We have integrated our stable coin with Celer bridge, which allows us to transfer between all layer 2s with no slippage. You can bridge USX from Polygon to Optimism, Polygon to Arbitrum with no slippage. This is very unique because no protocol has done this before
- dForce trade aggregator is deployed on Polygon, Arbitrum, and Optimism
- Protocols face liquidity fragmentation issues; dForce is trying to integrate with the bridge natively and with more protocols so we can consolidate liquidity for easier trade
- Over the past quarter, USX has maintained a good peg; we believe this is due to LSR which we implemented across different chains on Arbitrum, Optimism, and BSC
- USX is natively integrated with Celer bridge which can facilitate nonslippage bridging across different chains

- We hosted a guest speaker session with Saddle Finance. [Click to jump to the section!](#)

- Users can now use LoopFi, a liquidity solution for time-logged VDF, to maximize staking yield for users.

The full Recap of the community call is organized below.

Host: Let's talk with Margaret, the core contributor of dForce to provide business development insights which are below:

Margaret: I am very excited to share the details of what we have accomplished in the past 6 months. In response to our multichain expansion strategy since the beginning of the year, we have deployed dForce protocols on Avalanche, Polygon, Kava, Arbitrum and Optimism. We also have collaborated with a number of DeFi protocols and assets to onboard more audiences to the dForce Network. Back in April, we deployed on Avalanche, and launched dForce bridge which is a cross-chain bridging to facilitate instant and low-cost transfer of USX and DF tokens across different blockchains and layers. In May we participated in liquidity mining 2.0 launched by Polygon and got rewarded with MATIC tokens.

In June we deployed on Kava. Moving forward to July which was a big month for dForce, LoopFi announced their support for dForce staking on Arbitrum. LoopFi provides liquidity solution for time-logged VDF which means DF holders can earn maximized staking yield while having the flexibility to exit from dForce staking at any time. This is very similar to how Convex covers Curve by offering boosted staking rewards while remaining liquid on your VCR holdings. dForce also launched LSR(liquid stability reserve). We launched the LSR module to enable 1:1 swap between USX and the number of most widely adopted stablecoins. This mechanism is expected to help USX to maintain its dollar peg in a more efficient manner. In the same month, on Ethereum we also launched USX/USDC pool on Saddle Finance, on Optimism we launched USX/DF, USX/USDC pools on Velodrome. On Avalanche we launched USX/USDC pool on Platypus.

In August dForce trade was upgraded to support more cryptocurrencies, the previous version only supported USX and DF. On Ethereum we launched another USX/FRAX pool on Saddle finance as well.

In September our proposal got approved and we received 300K OP tokens from Optimism. We plan to incentivize users through liquidity mining, a variety of marketing campaigns, and developers who build on top of dForce protocol on Optimism. To facilitate the Ethereum upgrade dForce DAO voted to decide that dForce will only support the core POS chain without allocating support for any forks of Ethereum.

Host: Thanks for that comprehensive update, let me provide a few quick sentences to the community on the marketing side of dForce as well on the PR and what kind of partnerships we had. dForce have participated in many notable external marketing activities. dForce actually partnered with some of the core and very big partners in the blockchain space for example dForce has held community talks and AMA-style chats with Binance. Mindao who's the core

contributor of dForce attended the AMA to update Binance community regarding our current development and future plans. dForce was also invited to Arbitrum's twitter space to talk about dForce thought leadership and everything in between. dForce continues to hold large partnerships because we feel it's important even in this bear market.

Let's move toward Mindao session. Mindao is a core contributor at dForce he will guide us through dForce's layer 2 multi-chain strategy, market outlook, and recap.

Mindao: As Margaret just said over the past quarter our focus is layer 2 multichain expansion. I think the good thing about all the layer 2 blockchains like Polygon, Arbitrum and Optimism; they entered the top 10 blockchains. Polygon is on no.5 in terms of TVL. Arbitrum just overtook Solana at no.6 in terms of TVL and it's pretty impressive as they don't have a token. Optimism has launched tokens recently and now they are no.8. Our liquidity initiative is pretty much focused on layer 2 and we see that layer 2 picking up quite well. That's something we should continue to expand and partner with protocols on layer 2. In terms of dForce position on layer 2 blockchains, we built probably the most integrated DeFi portals for Polygon, Arbitrum, and Optimism because we are not just lending protocol but we also have native stablecoin and now we have integrated our stable coin with Celer bridge which actually allows us to do no slippage bridging from all the layer-2. You can bridge USX from Polygon to Optimism, Polygon to Arbitrum with no slippage. This is something unique because no one has done this before. We have already deployed trade aggregators on Polygon, Arbitrum, and Optimism. You can go to dForce trade and find the best route through different DEX. This is an interesting combo from a protocol perspective. Going forward we should definitely focus on layer 2, more layer 2 blockchains are coming including zkEvm which is a pretty hot topic. We are looking forward to deploying on zkEvm. As we discussed in previous community calls, the problem protocols face is liquidity fragmentation. We are trying to integrate with the bridge natively and also we are trying to integrate with more protocols so we can consolidate liquidity and make it more concentrated for people who wanna find liquidity there. In the coming 6 months our strategy is to integrate with more protocols on different layer 2 and hopefully, we can consolidate liquidity with our own bridge integration as well as protocol integration.

Host: Great explanation in simple words. Would you like to give us some market outlook and recap which can help our community understand the current market?

Mindao: Sure! Speaking of market sentiment, it's not really binary. I think we are not in a bear market in the traditional sense. I have been through a few cycles now and it's the third crypto cycle. The reason I am saying that is because I think still there are many rotating market narratives it's not like the previous 2 cycles where the market goes down and everything just goes dark and deep dark with no activity on the investors side but now actually I have been to several dApp conferences over the past 2 months particularly dev con and Builders sentiments are still very strong I don't feel like they are living through a bear market. Everyone is building stuff and we are seeing different experiments with DeFi and NFT. From my perspective the market is still pretty strong even though the VC market slows down a lot in terms of investment

but still many teams receive very strong backing which is quite different compared to the previous 2 cycles.

Host: let's move forward to our next session which is USX, can you please give us an overview of USX

Mindao: Within the last 6 months the regulatory hurdles on decentralized stablecoins, we saw Luna blow up and Fei protocol also exited the market because of regulatory hurdles but we also saw some good signs as Aave is about to launch GOT stable coin which is very similar to USX build on top of a lending protocol but we have more functionality as we also support Vaults model like Maker DAO. Over the past quarter, USX has maintained a good Pegg and I think the liquidity is also building up well because of LSR which we implemented across different chains Arbitrum, Optimism, and BSC. USX is also natively integrated with Celer bridge which can facilitate nonslippage bridging across different chains. Going forward liquidity mining is definitely gonna incentivize more on LSR liquidity which would be like for both pegging and lending protocol liquidity. We need to push more for decentralized stablecoins because they are the holy grail of DeFi.

Host: Can you please tell us about the roadmap?

Mindao: On the development front, our main priority is security and we have streamlined the risk management and risk assessment framework when many partners were proposing to add collateral support, and we can review more on voting support. We are actually working on helping the NFT assets to gain liquidity not just only lending front because lending front we are very familiar with also looking at different models for lending protocols to support NFT. We are also looking to provide liquidity for NFT swap. There's no timeline when this will be ready.

Host: Fantastic! We have our guest here from Saddle Finance. Let's bring Duck and Christian from Saddle Finance to the call.

please give us a quick introduction to Saddle Finance what you guys have been up to and anything you would like our community to know.

Duck: yeah absolutely i'd be happy to so saddle at its core is a DAO with a focus on bringing DeFi primitives to the world and making sure they stay free and accessible to anyone who needs them.

Our first product is of course well known open source stable swap implementation in solidity written in solidity up to now it's facilitated over \$2.2 billion in volume through our contracts alone and that's not even including all of the forks. We are the third most forked protocol by TVL according to DeFi Lama. Our forks hold over \$400 million in TVL and include protocols like pharaoh hops synapse to name a few as it turns out having access to a reliable and open-source stable swap implementation has been critical to cross-chain bridge research right which is honestly exactly what we had hoped for that's why we put these products into the public domain. The stable swap algorithm is a clever little bit of math used to solve a not-so-obvious

but pressing issue. Our stable swap implementation is just the first product on a long road, we're all natives here and we're not leaving the space we will give to it as much as we can because that's what we're passionate about.

Host: We understand that Decentralized stable coin is a critical vertical portion of saddle finances vision and historically that contributes a lot of TBL and trading volume. we understand that you're aligned with Frax and some other stable coins as well and also with the dForce on integrating more decentralized stablecoins so USX is our core protocol which is the US dollar-denominated stablecoin. Would you share your thoughts on how? we would work out a partnership between USX and saddle going forward.

Duck: Yes absolutely I can touch on this one quickly before i go and that's our exciting new L2D4 pool OK of which you all are an important constituent of. D4 for those who don't know are decentralized 4 pools and main that was one of our most successful pools today. we hope to carry the momentum of the original D4 onto layer 2 with you guys. we're very excited about it. It should serve as a collaboration between Alchemax, Frax, Sparax layer 2 DAO, Arbitrium, Saddle, and of course dForce. There's huge potential here for this to be one of the most incentivized pools of all time and it should be important to the space because as we were discussing we see more and more for folks turning their backs we see more and more folks turning their backs on traditional cust and we need to drive layer 2 adoption in the right direction. We are beyond excited to include dForce on the docket for this new era of DeFi, this new layer 2-focused era that I'm trying to come to terms with as a duck and you are helping.

Host: Well I think we should move forward to the Q&A session for the community call. We've got a few questions umm I think we can maybe address to have time to address two or three So, so this one is for Margaret.

Any plans this month for the OP distribution from the OP grants?

Margaret: Yeah, with the 300K OP tokens we received, 50% of the tokens will be allocated to return to users through liquidity mining on lending. We also plan to incentivize some of the LP pairs as well through liquidity mining. We will allocate 30% to the developers who build on top of dForce. The remaining 20% will be used to host a variety of marketing activities and details will be disclosed very soon. We plan to kick start liquidity mining in 2-3 months from now.

Host: Sounds good, what is the dForce's approach for this bear market?

Mindao: As I shared in the last session about this. There's nothing we can do except build. We are building more partnerships. We are also looking to develop new primitives so we can

actually expand DeFi liquidity to new assets class as NFT. We can also tap into some real-world asset use without any counterparty risk.

Host: Let's move towards our last question, Mindao or Margaret could you please tell us about LoopFi and DeFi summer and how dForce is working with LoopFi.

Margaret: LoopFi actually provides the liquid solution for time-logged VDF just similar to how convex powers Curve that means when user use loopFi to deposit DF token they will get the maximized staking yield and it will issue the PDF token in exchange for DF tokens staked with them all DF tokens collected will be put together and the stake into DF to earn the maximized staking rewards. We also plan to launch liquidity mining initiative on layer 2 maybe through a partnership with Saddle finance. This way our users can maximized yield in the most capital-efficient way.