

What is a liquidity pool?

A liquidity pool is a large volume of 2 cryptocurrencies used for AMMs. Liquidity pools have liquidity due to stakers who provide liquidity for a yield that comes in the form of fees for transactions on the swap interface. A liquidity pool can also be used for validation as a node in order to gain rewards for randomly generating a hash the quickest and then being given the opportunity to validate a block in the block chain and receive a reward.