

Matic Network – New Frontier (Draft February 21, 2021)

Disclaimer

Defi, yield farming and liquidity mining are the most risky ways to “invest” because one can lose 100% overnight for all types of reasons. Please see the other two articles:

- [Defi, Yield Farming and Liquidity Mining](#)
- [BSC Farms and Yield Optimizers](#)

Matic Network

When Binance Smart Chain (BSC) becomes a strong competitor to the ETH chain, many experts are concerned that BSC is not adequately decentralized. With the rapid increase of BNB price, the transaction fee is gradually causing concerns too, with some transactions costing \$2 each.

On the other hand, Matic Network is the layer 2 solution for the ETH chain, providing high throughput at a far lower transaction fee. All of the ETH tokens can be easily bridged to the Matic Network, with many tokens currently in transition. Total value locked (TVL) at QuickSwap, the largest (probably the only one) decentralized exchange, exceeded \$21 million today, and is increasing by a few millions daily.

Uniswap currently has a TVL of \$4 billion. There are discussions that Uniswap may take actions to drop current transaction fee from \$50-100 to around \$5, but that is no competition to the Matic Network fee, which is typically lower than 0.01 cent per transaction.

Basic Information

Matic network can be accessed using Metamask, quite similar to the connection to BSC. Funds denominated in ETH can be easily transferred through Matic wallet, but may take up to 10 minutes.

- This article discusses how to set up custom RPC in Metamask: <https://medium.com/@quickswap.layer2/guide-how-to-set-up-custom-matic-mainnet-rpc-for-metamask-transfer-assets-from-l1-to-l2-to-use-3b1e55ccb5cb>
- Or you can head directly to the bridge here: <https://wallet.matic.network/login?next=%2Fbridge%2F>, after you connect to the current ETH chain
- QuickSwap information page: <https://info.quickswap.exchange/home>
- Block explorer: <https://explorer-mainnet.maticvigil.com/>

Finding New Opportunities - QuickSwap

One of the tokens that trade exclusively on the Matic Network is QuickSwap, the largest DEX. **QuickSwap reported their unique users has ballooned from 2K on Friday February 19 to 5K on Saturday and 19K on Sunday.**

QuickSwap has a circulation supply of approximately 150K, with token price around \$220, implying a current market cap of \$33 million. Maximum supply will be capped at 1 million tokens. QuickSwap has a TVL of \$22 million and a transaction volume of \$19M daily.

This valuation seems to be comparable to Uniswap and PancakeSwap, but has not yet fully valued the potential growth in the coming weeks. QuickSwap has also offered a similar farming section like PancakeSwap: <https://quickswap.exchange/#/quick>. Daily yield is typically 0.5% to 1%, with some pairs at 3%.

Join Telegram channel for more information: <https://t.me/QuickSwapDEX>

Finding New Opportunities – Dark.Build

Dark.Build seems to be the only other token traded exclusively on the Matic Network with a meaningful business. It is an old ETH project that are not doing well on the ETH chain, but seems promising after having moved to the Matic Network. Due to the rapid development, there isn't any good document to learn how it aims to be a decentralized asset exchange. This medium article has some confusing information on creating a stablecoin to facility exchange: <https://dark-build.medium.com/>

The original token, DARK on ETH, has a total supply of 100K, which is being converted to DB on the Matic Network at 10:1. The new DB token has a total supply of 30,000, with less than half in circulation. At the current price of \$500 per token, the valuation at the maximum supply is \$15 million. This token is worthwhile to research.

Join Telegram channel for more information: <https://t.me/darkbuild>

Finding New Opportunities – Dual-chain Tokens

The token list on QuickSwap is here: <https://info.quickswap.exchange/tokens>, and is growing at a neck-breaking speed. Projects with “POS” are being traded on both the ETH chain and the Matic Network. Many projects relying on micro-transactions with value at a few dollars were previously damaged by the high transaction fees on the ETH chain, and may find momentum when running on the Matic Network. One example is Alpaca after it opened a BSC version.

The Matic Network is in urgent needs of powerful decentralized apps. Some types of dapps will have great potentials:

- Yield optimizers to automatically compound QuickSwap farms, like Autofarm on BSC for PancakeSwap farms
- Exchange aggregator such as 1inch on ETH or BSCX on BSC. Currently the exchange routing on QuickSwap is horrendous. When purchasing large amount of tokens, one must break it down in small pieces. Gladly that is not a problem now due to extremely low transaction fees.

Dapp activities can be monitored here: <https://dappradar.com/rankings/protocol/matic>