ALCHEMIX

Alchemix Q1 2022 Report

Introduction to Alchemix

Established in February 2021, Alchemix is a DeFi lending protocol that offers self-repaying loans without the risk of forced liquidations. Alchemix's value proposition is that it enables its users to access tokenized value against their deposits, while those deposits harness the power of DeFi to automatically pay down a borrower's loan balance over time. Conceived as a new tool for people to take advantage of the time value of money, Alchemix is tested and audited and then deployed on-chain using smart contracts to provide security, transparency, immutability, and uncensorable access to all.

A borrower's loan comes in the form of synthetic tokens known as alAssets. Alchemix currently offers alUSD to borrow against DAI, USDC and USDT, and alETH to borrow against ETH, rETH, and stETH. Alchemix establishes a 1:1 peg between collateral types (DAI/USDC/USDT and ETH/rETH/stETH) and their pair alAssets via deep exchange liquidity and the novel Alchemix Transmuter, which provides a backstop for the peg.

This report provides relevant data for Q1 2022, 1 January 2022 to 31 March 2022. Version 2 (v2) of the protocol began to be rolled out February 2022. The initial rollout of the v2 Alchemix contracts included deposit caps to mitigate instability in the respective pegs, as well as to mitigate risk with newly deployed contracts.

Data sources for the numbers provided below include, but are not limited to, the Alchemix SubGraph, the Etherscan API, Bitquery and Flipside Crypto.

This document is not investment advice, nor should anything herein be construed as solicitation to buy or invest. This is solely for informational purposes only. The discussions in this Quarterly Report may contain forward-looking statements reflecting Alchemix's current expectations that involve risks and uncertainties. The words "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Alchemix may not actually achieve the plans, intentions or expectations, and you should not place undue reliance on Alchemix's forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that Alchemix makes. These forward-looking statements involve risks and uncertainties that could cause Alchemix's actual results to differ materially from those in the forward-looking statements. Alchemix does not assume any obligation to update any forward-looking statements. The numbers that are being provided below, as of 31 March 2022, as well as other information disclosed in this document, are unaudited. The numbers in this document are a result of a good faith effort to read past data from the pertinent blockchain or other relevant data source. Some values are not readily accessible, and best efforts were made to ascertain the most accurate numbers or estimates.

The preparation of this document requires Alchemix to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related information.

Due to the COVID-19 pandemic and the war in Ukraine, there has been uncertainty and disruption in the global economy and financial markets which could impact Alchemix's estimates and assumptions. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

The report was released on 2022.05.16.

Highlights

The first quarter of 2022 brought some very exciting developments into the Alchemix world, including the following:

- The new v2 contracts were deployed, which brought with them new assets and capabilities. The first and second round of extension for yield sources, the Yearn vaults for USDC and USDT, as well as wstETH (Lido staked ETH) and rETH (Rocket Pool ETH) were added.
- Eleven governance proposals went to a vote in the quarter.
- alAsset pegs have remained largely in line with protocol expectations.
- Both alAssets are sufficiently collateralized, in line with the defined behaviour of the protocol.
- New use-cases and yield sources are continuously being introduced for Alchemix assets.
- Strategic asset accumulation (mainly CVX, TOKE and Alchemix liquidity tokens) switched into high gear in the quarter, collecting almost $10M of assets.
- Total deposits, total collateral locked, as well as the size of liquidity pools, contracted significantly as a result of the general market downturn and the corresponding decrease in Curve and stablecoin yields.

Protocol Metrics

In this section we cover the most important metrics that indicate the sustainability and health of the protocol.

alAsset Pegs and Liquidity

The main challenge for the protocol is to maintain a strong peg for the alAssets, meaning that they mirror the price of the assets with which they are paired. If the protocol is successful in achieving and maintaining a strong peg, then it is believed that this is a key indicator that the Alchemist deposit caps can be increased. In turn, with growing deposits, protocol revenue increases.
In essence, a good peg results in growing revenues and profit for Alchemix.

Without a robust and healthy peg, Alchemix's value proposition diminishes, as a weak peg would mean an effective lowering of the LTV ratio of a user's deposit. Given market dynamics, a sustained exact 1:1 peg between alAssets and their pairs is not possible. Therefore, it has been determined that the protocol target for the pegs is 0.998 at a minimum.

Maintaining a minimum 0.998 ratio for the pegs means that both the alUSD and alETH pegs are kept at reasonable levels during the quarter, regardless of volatility. The price, peg, and liquidity for alUSD and alETH are achieved by establishing liquidity pools in Curve and Saddle.

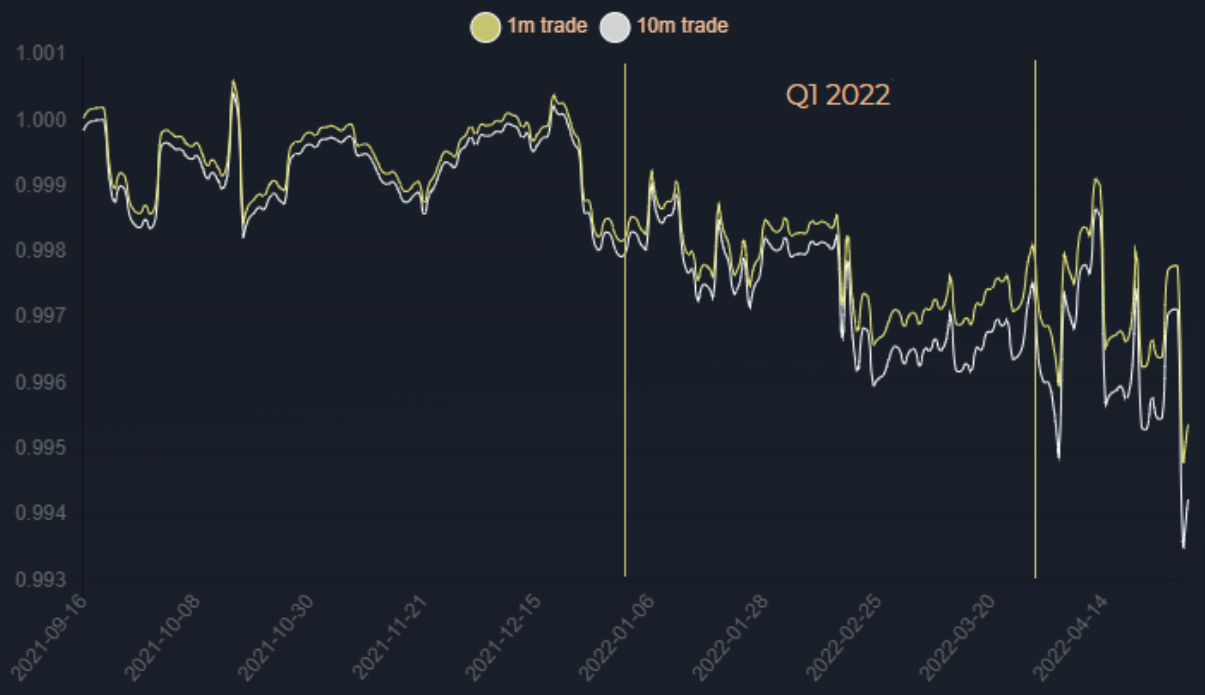
In Q1 2022, alETH's peg slipped marginally at the end of the quarter, possibly as a result of the new v2 vaults coming online. When users take out a loan, new alAssets are minted. These alAssets usually get swapped in the liquidity pools to other assets, thus stressing the peg. Also, when existing loans in v1 are self liquidated, the collateral assets returned from the self liquidation are often re-deposited into v2. When a user then takes a loan against these migrated funds, the same mechanic that is described above applies.

The alUSD and alETH peg history charts can be seen below. We included the theoretical effect of different trade sizes in the tables below.

After the 31st of March, but as of the writing of this report, the protocol has deployed a new mechanic, called the AMO (Algorithmic Market Operator) that is intended to help bolster the pegs of alAssets. AMO metrics will be reported starting with the next quarterly report.

alUSD Price vs. DAI

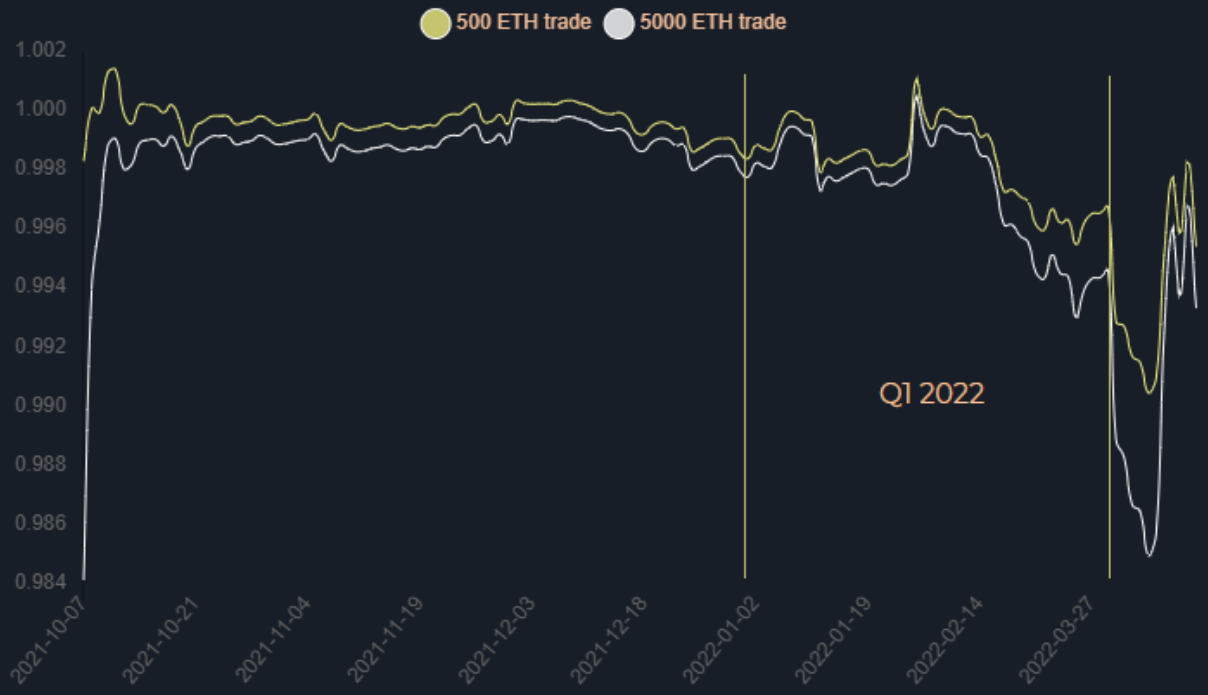
Trade size	Jan 1st	March 31st
$1M	**0.9982 (-0.1779%)**	**0.9981 (-0.1929%)**
$10M	**0.998 (-0.201%)**	**0.9975 (-0.2517%)**



alUSD price vs. DAI

alETH Price vs. ETH

Trade size	Jan 1st	March 31st
500 ETH	**0.9984 (-0.1626%)**	**0.9967 (-0.3278%)**
5000 ETH	**0.9977 (-0.2253%)**	**0.9946 (-0.5425%)**



alETH price vs. ETH

The other key metric to consider with regard to the peg is the depth of the liquidity pools. In essence, the total size of the liquidity pools need to be large enough to support larger trades, so that these trades can be fulfilled at reasonable prices. If there is not enough liquidity, participants with larger amounts of capital are practically unable to use the product as it is intended, and Alchemix would become less attractive as a DeFi tool.

For Q1 2022, Alchemix's relevant liquidity pools shrunk considerably. With the general market downturn, incentives to liquidity pools decreased, reducing yields, which may have resulted in market participants removing liquidity. The decline in Alchemix's liquidity pool size may also be attributable to the "Curve wars," wherein competition for attracting liquidity to Curve pools has been on the rise.

alUSD Liquidity Pools

Total size in all pools

	Jan 1st	**$591.6M**	March 31st **$370.1M**
alUSD3Crv	Jan 1st	**$429.7M**	March 31st **$165.4M**
d3poolCrv	Jan 1st	**$112.7M**	March 31st **$124.9M**
Saddle d4	Jan 1st	**$49.2M**	March 31st **$79.8M**

alETH Liquidity Pools

Total size in all pools

	Jan 1st	**$631.3M**	March 31st **$247.9M**
alETHCrv	Jan 1st	**148807 ($553.9M)**	March 31st **52799 ($181M)**
Saddle alETH	Jan 1st	**20535 ($77.4M)**	March 31st **20396 ($66.9M)**
Ether price	$3,686.40		$3,383.79

Total Deposits vs. Liquidity

The size of liquidity pools can also be examined in relation to the amount of user deposits in Alchemix vaults. The liquidity pools should be sufficiently large to facilitate movement of alAssets across the ecosystem, so the protocol aims to keep the size of the pools healthy, relative to deposits.

This calculation is expected to change as more use-cases are added for alAssets across the ecosystem; the relative size of liquidity pools can decrease without impacting the health of the protocol.

Also, for simplicity, we are disregarding the fact that some liquidity pools are set to an alAsset : externalAsset ratio of 1 : 1 and others are set for lower ratios. The latter happens when multiple assets are pooled together; for example, the Saddle d4 pool, where alUSD only makes up 25% of the pool when balanced.

As demonstrated by the table below, the liquidity pools are almost 3 times the size of the deposits, in most instances. This is considered by Alchemix to be a healthy ratio.

Deposit : Liquidity ratio

	Jan 1st	March 31st
alUSD	**1 : 3.47**	**1 : 2.87**
alETH	**1 : 6.45**	**1 : 2.53**

alAsset Collateralization Ratios

User deposits are held by the Alchemist contracts. The Transmuter contracts also hold a significant amount of funds, these are responsible for providing a backstop for a de-peg event.

The alUSD Alchemist contract imposes a 200% collateralization requirement for user deposits, permitting a maximum Loan-to-Value ratio of 50%. This means that users can borrow up to half of the value of their DAI deposit as an alUSD-denominated loan. This is unchanged from Alchemix v1.

In v1, the alETH Alchemist had a 400% collateralization ratio, meaning users could only take out 25% of their ETH collateral as an alETH loan. This changed in v2, and the alETH Alchemist is now in line with the alUSD Alchemist, allowing users to take out 50% of their ETH collateral as an alETH loan.

The Transmuters, on the other hand, are only required to hold an equal amount (1:1) of collateral assets in comparison to the alAssets under their control.
These ratios, however, including for the Alchemists, almost always, remain above their required minimum, as depositors don't always take the maximum amount of loan that they have access to.

This means that alAsset collateralization ratios should always be above 100%.

The collateralization ratio measures what percentage of the circulating alUSD and alETH supply is collateralized overall by user deposits and funds controlled by the protocol itself.
Collateralization ratios for both alAssets have remained in the expected ranges, as designed.

alUSD Collateralization Ratios

	Jan 1st	March 31st
Collateralization ratio	**124.9%**	**129.2%**

alETH Collateralization Ratios

	Jan 1st	March 31st
Collateralization ratio	**122.3%**	**144.1%**

alAsset Utility

Becoming embedded as part of the DeFi ecosystem substrate is of paramount importance for Alchemix.

Without a direct use for the alAssets (alUSD, alETH), the only action for users after taking an Alchemix loan is to swap their alAsset into something more “usable.” This puts the protocol under constant pressure to devote resources to maintaining the peg of these alAssets by utilising ALCX emissions or its own non-native assets, both of which are value extractive for the protocol and for ALCX holders.

However, if the alAssets themselves can be used in a productive manner without requiring a swap, then it makes sense for users to hold these alAssets, which in turn takes pressure off of the protocol to maintain the pegs. The fewer resources that Alchemix needs to devote to maintaining alAsset pegs, the more resources are available to grow the protocol and generate revenue.

Please note that 3 of the products showcased below have integrations with the alUSD3Crv pool and not directly with alAssets. This is still useful for the protocol, as it helps to provide external assets to the Alchemix liquidity pools.

Premia is a decentralized options protocol, enabling anyone to buy and sell options in a fair and liquidity-efficient way.

Premia currently has two pools for Alchemix, the ALCX/DAI and the alETH/alUSD options pools. Users are able to deposit ALCX, DAI, alETH and alUSD and become the underwriters for these assets.

Traders buy options to speculate on the price of ALCX and alETH, and the depositors earn the fees paid by the traders.

Website: https://premia.finance

The Rari Fuse platform enables anyone to instantly create their own lending and borrowing pool.

Rari Fuse makes it possible to deposit alUSD in multiple lending pools and earn a yield from users who then borrow this asset.

The Rari and Fei teams have enabled direct TRIBE (Tribe DAO token) rewards for the D3 Curve pool if someone deposits this token into Fuse and borrows against it. alUSD is a part of the D3 Curve pool, so this provides extra incentives for providing alUSD liquidity.

Website: https://app.rari.capital

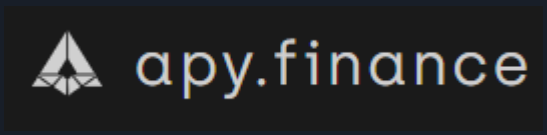
Tokemak is a novel protocol designed to generate deep, sustainable liquidity for DeFi and future tokenized applications that will arise throughout the growth and evolution of Web3. It is a decentralized market making platform and a liquidity router.

Sitting a "layer above" decentralized exchanges, Tokemak allows for control over where the liquidity flows, and also offers an easier, cheaper way for providing and sourcing liquidity.

There are currently two Alchemix related reactors (pools) in Tokemak, one for the ALCX governance token, the other for alUSD. Users can deposit these assets and earn a yield on them in Tokemak's native asset, TOKE. The system then pairs these assets with other tokens in Tokemak, such as ETH, USDC or any other asset that is voted for, creating trading pairs on decentralized exchanges.

Alchemix also operates a staking pool where users can stake their tALCX tokens and earn ALCX on them while allowing Alchemix to collect the TOKE rewards.
This is effectively single-side staking with the protocol itself also being rewarded.

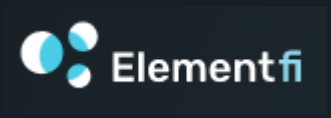
Website: https://tokemak.xyz



The APY.Finance platform is a yield farming robo-advisor that runs a portfolio of yield farming strategies from a single pool of liquidity.

Users can deposit stablecoins (DAI, USDC, USDT) that are deployed into Curve and Convex strategies, including the alUSD3Crv pool.
This provides an external inflow of non-alAssets into the main alUSD liquidity pool.

Website: https://apy.finance



Element Finance is a decentralized finance protocol that enables users to seek high fixed yield income in the DeFi market. This is made possible by the introduction of an internal AMM where these fixed rate tokens can be traded.

Variable rate users can deposit any of the 3Crv tokens (DAI, USDC, USDT) as well as alUSD that is deposited into the alUSD3Crv pool and principal tokens are created. Users can buy these principal tokens to get access to a guaranteed fixed yield for a predefined amount of time (Usually 6-month terms).

Website: https://www.element.fi

Idle Finance is a decentralized rebalancing protocol that allows users to automatically and algorithmically manage their digital asset allocation among different third-party DeFi protocols. Users can choose to maximize their interest rate returns through the MaxYield strategy or minimize their risk exposure through the RiskAdjusted allocation strategy.

Idle currently supports the alUSD3Crv Curve pool, meaning users can earn the yield provided by the alUSD3Crv pool with higher or lower yields, depending on their risk appetite.

Website: https://idle.finance

mSTABLE

mStable allows users to deposit stablecoins (DAI, USDC, USDT, etc.) and Bitcoin variants (wBTC, renBTC, etc.). These deposits are used as backing for the native mUSD and mBTC tokens that users receive for their deposits.

The mUSD stablecoin and the mBTC tokens can be staked in a “Save” contract to receive imUSD and imBTC. These earn yield automatically by depositing the underlying assets into lending platforms.

mStable also operates its own AMM (Automatic Market Maker) for (mUSD : stablecoin) and (mBTC : BTC variant) pairs, where depositors can earn trading fees and mStable’s native MTA governance token.

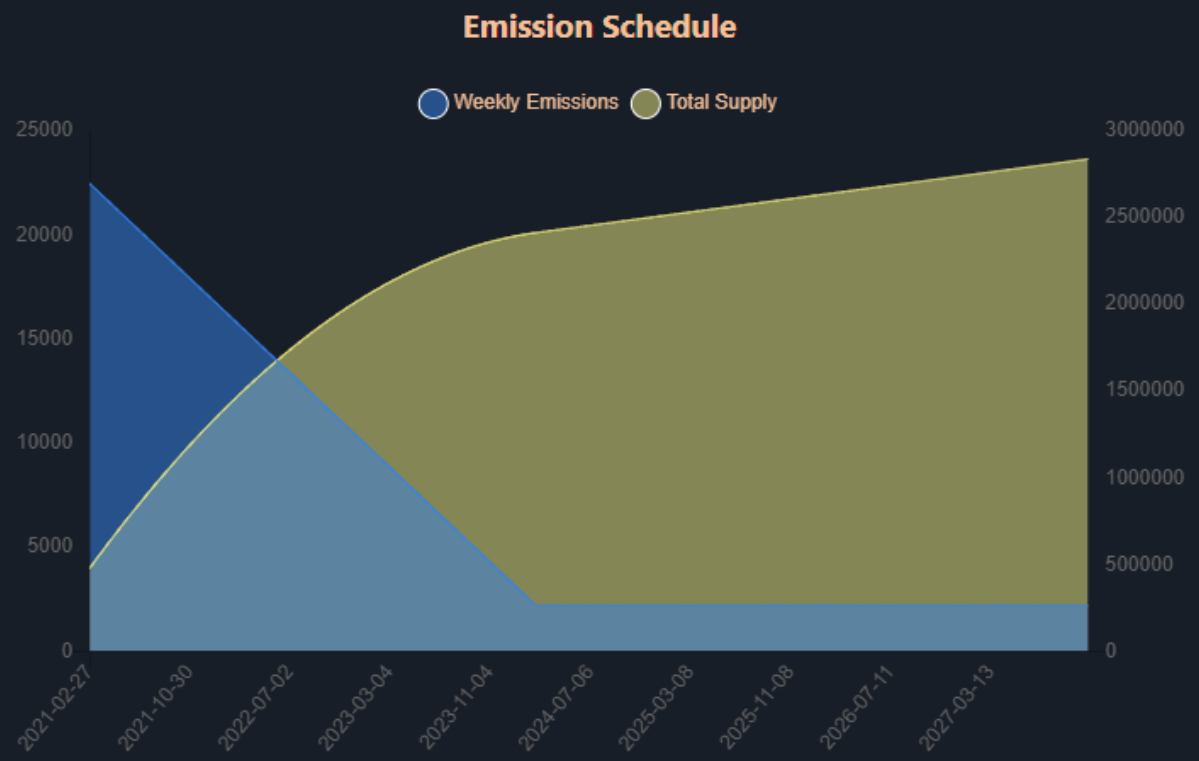
mStable currently offers support for alUSD in the form of an alUSD/mUSD trading pair.

Website: https://mstable.app

ALCX Governance Token

The governance token of the Alchemix protocol is ALCX. It allows users to influence protocol direction by voting on submitted proposals.
The continuous issuance of the ALCX token follows a pre-defined schedule.
Alchemix provides various staking options for holders to minimize the effects of token inflation.

Below, we provide information on current inflation numbers, future total supply expansion and the emission allocation.



As shown on the chart, the initial high token issuance rate decreases in linear fashion, dropping to the baseline 2200 tokens emitted per week at the 3-year point.

At this date, annual inflation will be ~4.7%, very slowly decreasing in perpetuity.

Effective Annualized Inflation Rate

2022.01.01.	2022.03.31.	2022.06.30. (Projected)
64.81%	**50.48%**	**40.03%**

Projected ALCX Supply Growth compared to 2022.03.31.

2023.03.31.	2024.03.31.	2025.03.31.
39.37%	**56.19%**	**63.56%**

ALCX emissions are used to support the strategic goals of the protocol. The biggest challenge, as laid out in the sections above, is sustaining a stable peg for alAssets. In order for the protocol to be sustainable long term, it cannot rely solely on token emissions to support the alAsset pegs. For this reason, the treasury started accumulating strategic assets, like CVX and TOKE, to be able to support the liquidity pools without emissions.

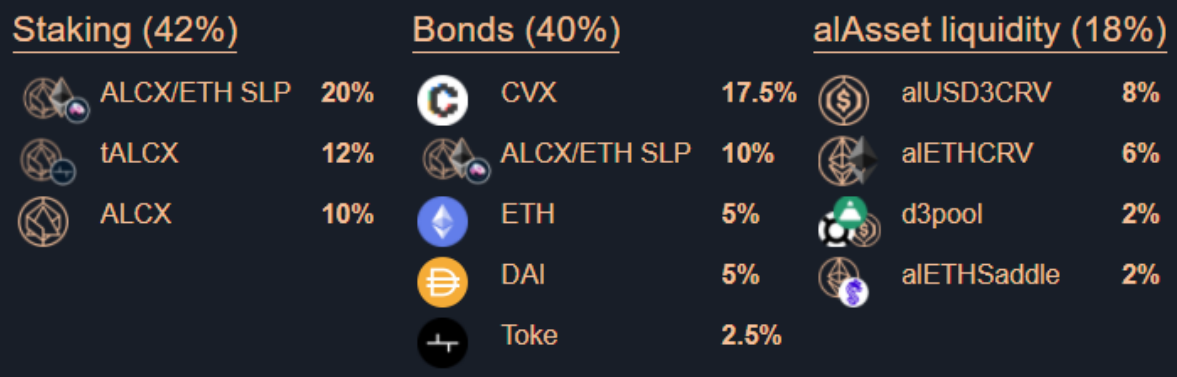
The protocol is still incentivizing single-sided staking, ALCX liquidity, and alAsset liquidity by using ALCX emissions. However it has begun the transition to using emissions for the purpose of accumulating strategic assets.

Direct liquidity incentives through emissions are expected to be wound down while the protocol becomes self-sustaining.

Change In The Emission Allocation from Jan 1st to March 31st

ALCX/ETH SLP	**-5%**	Bond - CVX	**-2.5%**	Bond - TOKE	**+2.5%**
tALCX	**+2%**	alUSD3Crv	**+1%**	alETHCrv	**+1%**

Distribution Of Emissions on March 31st



Index Cooperative Bankless DeFi Innovation Index

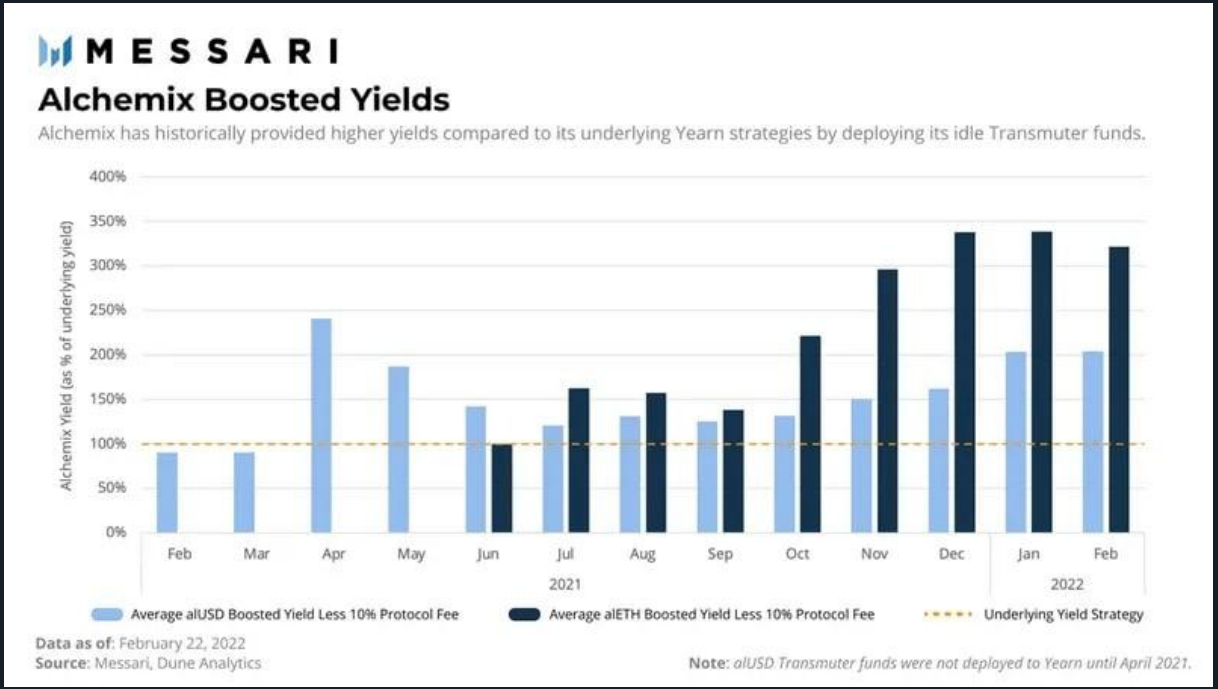
The Index Cooperative created a simple composite index token (GMI) that includes promising early stage DeFi projects. ALCX is included as a component of this index, which also includes 11 other DeFi tokens. On 1 January 2022, 10.9 ALCX were in the GMI contract. As of 31 March 2022, 1,321 ALCX were in the GMI contract. Read more about the GMI token here.

Boosted Yield

In v1, excess funds in the DAI and ETH Transmuters were deployed to earn additional yield in their respective Yearn vaults. This additional yield was then proportionally shared among depositors to pay down loans more quickly.

In v2, excess funds are instead being deployed in the AMO to provide peg stability and to earn additional protocol revenue. A portion of the revenues are sold off and then proportionally shared among depositors to pay down loans more quickly. The AMO contracts were not deployed in time for Q1 reporting.

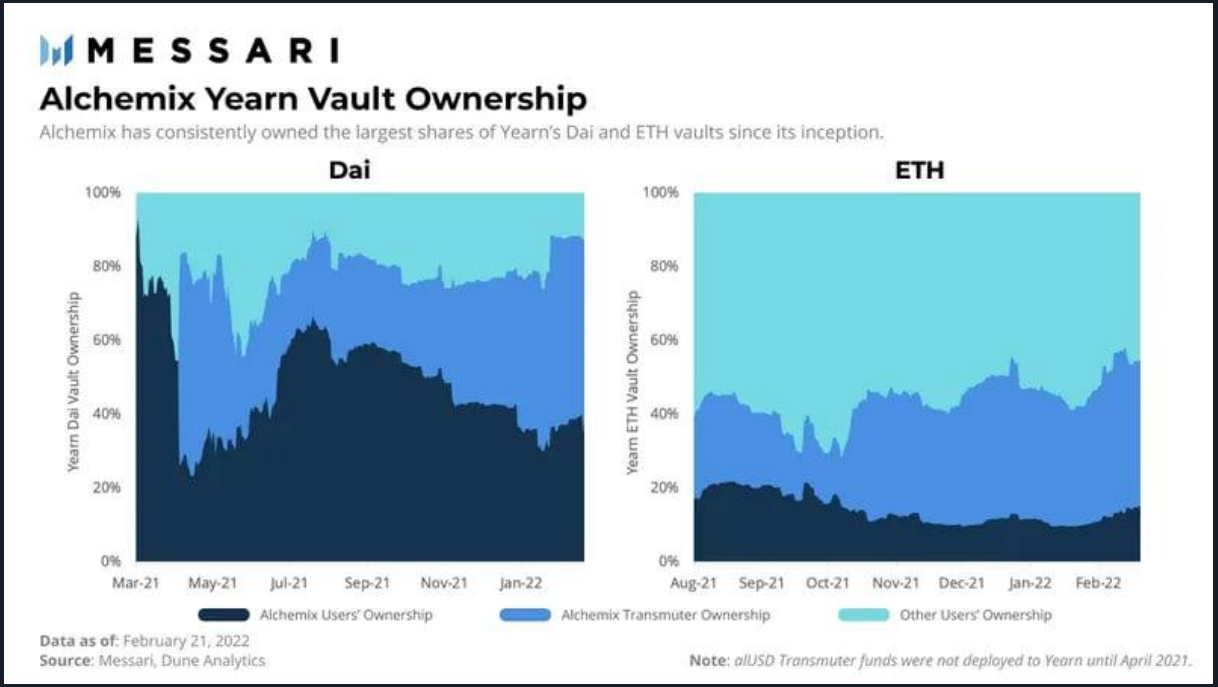
The size of the yield boost depends on the ratio of user deposits and assets deployed by the protocol.



Vault Ownership

In Alchemix v1, all user deposits of DAI and ETH in both the Alchemist and Transmuter were deployed in their respective Yearn vaults. Alchemix is the main source for these vaults, as shown on the charts below. It controls ~90% of the DAI and ~50% of the ETH vaults. This is not ideal, as the protocol's success relies on a single vault of a single provider.

Alchemix v2 introduces new collateral types, as well as brand new yield strategies to diversify user risk, as well as provide more yield opportunities.



Strategic Token Accumulation

Olympus Pro is a vendor for DeFi protocols that allows for protocols to use a bonding curve to essentially sell their native tokens in exchange for other strategic tokens that are of interest to said protocols. Read more about it here.

Because user bonding activities were being frontrun, a flashbot mechanism for bonding was deployed. Read more about it here.

CVX (Convex Finance)

Using Olympus Pro bonding services, Alchemix accumulates CVX tokens in exchange for ALCX tokens. Alchemix also earns CVX from staked liquidity pool tokens and locked CVX tokens. These CVX tokens are used with Convex Finance to direct Curve Finance emissions. This, in turn, incentivizes liquidity, and earns revenue for the protocol.

ALCX/ETH Sushi Liquidity Pool

Using Olympus Pro bonding services, Alchemix accumulates ALCX/ETH Sushiswap liquidity pool (SLP) tokens in exchange for ALCX tokens. These SLP tokens are held by the protocol and provide stability to ALCX by making it less susceptible to mercenary capital and market fluctuations. They also accrue trading fees from the pool.

TOKE (Tokemak)

Using Olympus Pro bonding services, Alchemix accumulates TOKE tokens in exchange for ALCX tokens. Also, using ALCX emissions, Alchemix incentivizes users to stake tALCX tokens. tALCX tokens are ALCX tokens that have been staked in Tokemak. Alchemix then accumulates the TOKE tokens that are emitted to tALCX holders. These TOKE tokens are used with Tokemak to direct liquidity, provide stability for Alchemix tokens and to earn additional revenue for the protocol.

Tokens Bonded Through Olympus Pro

Data is from January 1st through March 31st 2022. USD values as of March 31st.

CVX	WETH	DAI	ALCX/ETH SLP	TOKE	Total
$5.28M	**$1.32M**	**$1.64M**	**$1.45M**	**$0.26M**	**$9.95M**

Revenues and Expenses

Treasury

A Treasury dashboard that will highlight revenues and expenses, as well as assets and liabilities, is currently under development.

In the meantime, we are including some of the treasury holdings as of 31 March 2022 and treasury growth compared to 1 Jan 2022.

Treasury growth in Q1 2022 came in big part as a result of bonding in Olympus Pro. Even with the general market downturn, the protocol's incentives were successful at growing the treasury in notional value.

Please note that the treasury also held, and continues to hold, ~$1M of non-strategic assets that are not included in the table below.

Overall for the quarter, the treasury grew by $8.29M (+41.7%).

	Jan 1st	March 31st	Change QoQ
alUSD3CRV	**$5.2M**	**$7.6M**	**+$2.4M (+46.2%)**
alETH+ETH	**$2.46M (661)**	**$4.22M (1232)**	**+$1.76M (+71.5%)**
TOKE	**$3.78M (95,492)**	**$4.69M (180,523)**	**+$0.91M (+24.1%)**
CVX	**$3.94M (76,442)**	**$7.56M (250,711)**	**+$3.62M (+91.9%)**
ALCX/ETH SLP	**$4.5M (2,100)**	**$4.1M (3,135)**	**-$0.4M (-8.88%)**
Total	**$19.88M**	**$28.17M**	**+$8.29M (+41.7%)**

Data sources for: TOKE, CVX, ALCX/ETH SLP

Yield Harvests

Yield harvests are what enable Alchemix's self-repaying loans. Harvests are periodic withdrawals of yield generated by funds deposited in the Yearn vaults. These harvested yields are then used to proportionally pay down depositors' loans. Yield harvests are not on any set schedule. They generally happen when enough yield has been amassed and transaction fees are low enough for the harvest to make financial sense. 10% of the yield that is harvested is captured by Alchemix as a service fee.

Total v1 Harvests in Q1 2022

Calculated with the price of Ether on March 31st.

 DAI **$2.37M**

 ETH **$0.74M (219 ETH)**

Total v2 Harvests in Q1 2022

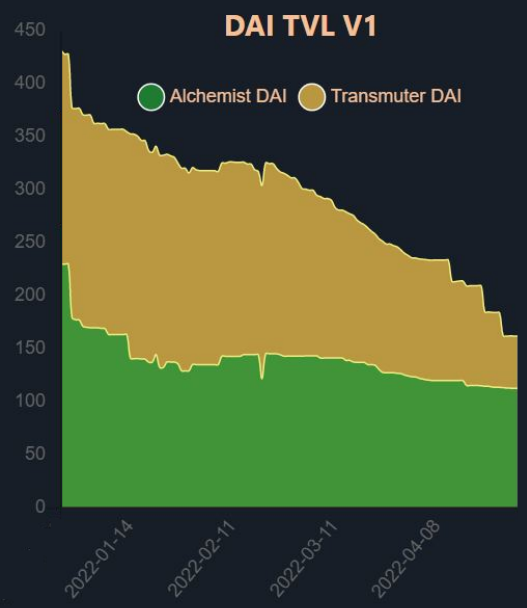
yvUSDC	yvDAI	yvUSDT	wstETH	rETH	yvETH
644	**1,728**	**27**	**0.0002**	**0.0001**	**0.62**

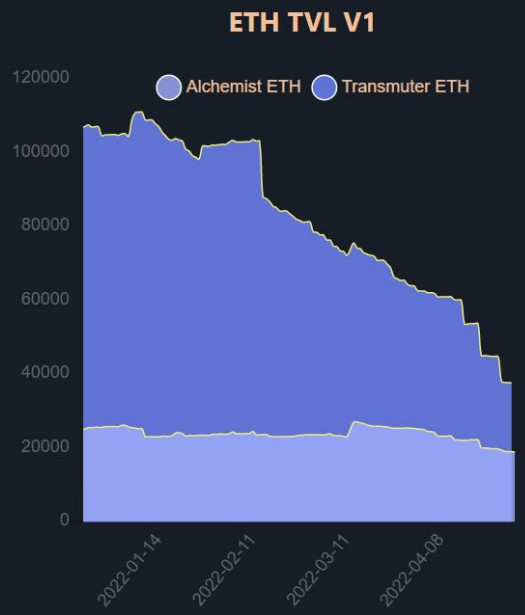
In Q1 2022, over 2,300 in USD equivalents, and over 0.62 in ETH and staked equivalents, were harvested for the v2 vaults. These numbers are lower than what would be expected for a quarter because the v2 contracts, especially wstETH and rETH, were still new. Much of user deposits were still in v1 vaults, and not enough time had yet passed to allow for much yield generation for deposits that were made into the v2 vaults.

Deposits and User Metrics

Deposits v1

As evident in the below charts, the total amount of DAI and ETH in the v1 Alchemists and Transmuters have been on a steady decline up to and during the rollout of v2.





DAI user deposits contracted by $46.68M (-27.4%).

Factors contributing to the decline in the alUSD Alchemist TVL may include the following:

1. A very low yield in the Yearn DAI vault, degrading the value proposition of Alchemix.
2. Users waiting for the release of version 2, knowing that they would need to migrate once it is out.
3. Users beginning to migrate their v1 deposits into the v2 contracts.

ETH user deposits remained constant in terms of ETH, but contracted by $9.56M (-10%) in USD terms.

Factors contributing to the decline in the alETH Alchemist TVL may include the following:

1. The relative price decline of ETH.
2. Users beginning to migrate their v1 deposits into the v2 contracts.

Both Transmuters contracted by significant amounts, $132.7M (-35.9%) for the alUSD-DAI Transmuter and $170.45M (-44.1%) for the alETH-ETH Transmuter possibly for the reasons outlined above.

The decline in the Transmuters may be attributed to the following:

1. A general market downturn that reduced the ALCX and CRV token prices, and thus incentives to liquidity pools. Some participants withdrew their positions and likely used the Transmuter to exit the alAssets.
2. Transmuter funds from v1 were initially deployed in the actual Transmuters as well as deposits for Boosted Yield. With the rollout of v2, these funds were being migrated to the AMO, as outlined above. This happened after the close of Q1, but before the release of this report, as seen on the charts above. AMO metrics will be available from Q2 going forward.

The amount of Total Collateral Locked (Deposit TVL) decreased by $303.15M (-40.1%) during the course of the quarter.

User Deposits (U), Total Collateral Locked (T)

	Jan 1st	March 31st	Change QoQ
DAI (U)	**$170.25M**	**$123.57M**	**-$46.68M (-27.4%)**
ETH (U)	**$95.24M (25836)**	**$85.68M (25320)**	**-$9.56M (-10%)**
DAI (T)	**$369.81M**	**$237.11M**	**-$132.7M (-35.9%)**
ETH (T)	**$386.74M (104910)**	**216.29M (63918)**	**-$170.45M (-44.1%)**
Total	**$756.55M**	**$453.4M**	**-$303.15M (-40.1%)**

Deposits v2

This section provides numbers for user activity in the protocol's v2 contracts. All data is for Q1 of 2022. Please note that v2 launched halfway through the quarter and was initially in the guarded launch phase, with low deposit caps and with boosted yield not yet available. As a result, the numbers below are not representative of the whole system and are likely undervalued.

Deposits as of March 31st

yvUSDC	yvDAI	yvUSDT	wstETH	rETH	yvWETH
1,553,824	**4,076,302**	**167,444**	**93**	**16**	**4,011**

In Q1 2022, users deposited over 5.7 million in USD equivalents, and over 4,100 ETH and staked equivalents into the Alchemix v2 contracts.

Deposit Quartiles ($ values)

The chart above shows that in almost every vault, the biggest depositor has a much larger balance than all of the other depositors, and in most cases, larger than the rest of the depositors combined. For a better view on how much the largest depositor has in each vault, refer to the table below. This is probably the result of the initial small cap size of the vaults, and is expected to even out when more participants enter the vaults and the deposit caps are much higher.

Vault Ownership of the Largest Depositor

yvUSDC	yvDAI	yvUSDT	wstETH	rETH	yvWETH
54.1%	**67%**	**91%**	**20.2%**	**62.5%**	**24.7%**

Number of Unique Depositors

alUSD Alchemist	**65**
alETH Alchemist	**134**

Tokens Minted

alUSD	**2,863,726**
alETH	**1,828**

In Q1 2022, 65 unique addresses deposited into the v2 alUSD Alchemist, and 134 unique addresses deposited into the v2 alETH Alchemist.

In Q1 2022, users minted over 2.8 million alUSD debt tokens, and over 1,800 alETH debt tokens using the v2 contracts.

Withdrawals

yvUSDC	yvDAI	yvUSDT	wstETH	rETH	yvWETH
75,285	**75,284**	**509**	**0.1**	**0.1**	**524**

In Q1 2022, users withdrew over 79,000 in USD equivalents and over 520 in ETH and staked equivalents from the v2 contract.

Self Liquidations

yvUSDC	yvDAI	yvUSDT	wstETH	rETH	yvWETH
3,374	**327**	**997**	**0**	**0**	**74**

In Q1 2022, users self-liquidated over 4,600 in USD equivalents and over 74 ETH from the v2 contracts.

Repayments

USDC	DAI	USDT	alUSD	ETH	wstETH	rETH	alETH
110	**20**	**466**	**0**	**0**	**0**	**0**	**0**

In Q1 2022, users manually repaid over 590 in USD equivalent debt, and 0 ETH in debt into the v2 contracts.

Transmuter Deposits

USDC	DAI	USDT	ETH
142,051	**2,316**	**73,317**	**1,258**

In Q1 2022, over 217,000 in alUSD and over 1,200 in alETH were deposited in the v2 Transmuters.

Transmuter Withdrawals

USDC	DAI	USDT	ETH
141,037	**1,324**	**71,852**	**1,240**

In Q1 2022, over 214,000 in alUSD and over 1,200 in alETH were withdrawn from the v2 Transmuters.

Transmuter claims

USDC	DAI	USDT	ETH
124	**228**	**100**	**17**

In Q1 2022, over 400 in USD equivalents, and over 17 ETH were claimed from the v2 Transmuters.

Other Information

This section covers other non-numerical and/or interesting information, such as governance updates.

Governance

The following are Governance proposals that were voted on in Q1 2022:

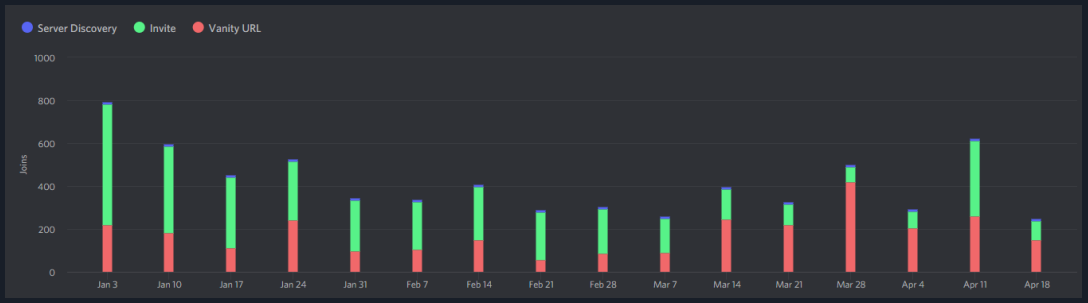
- **AIP-32: Toke War (Bonds).** This proposal was for adjustment to the emissions weighting towards tALCX, the introduction of TOKE bonds, and a 69.42k deposit of ALCX into Tokemak.
  Read the proposal and discussion here.
  The proposal passed with 99.41% of the votes. 81,000 ALCX voted for the proposal, and 481 ACLX voted against
  See the snapshot here.
- **AIP-33: Premia Finance Alchemix Options.** This proposal was for a partnership with Premia Finance to enable trading of ALCX options on the Premia platform.
  Read the proposal and discussion here.
  The proposal passed with 99.4% of the votes. 156,000 ALCX voted for the proposal, and 92 ALCX voted against.
  See the snapshot here.
- **AIP-34: Emissions Adjustments from AIP-32.** The proposal was for an adjustment in emissions to help bolster the alUSD peg.
  Read the proposal and discussion here.
  The proposal passed with 99.86% of the votes. 162,000 ALCX voted for the proposal, and 221 ALCX voted against.
  See the snapshot here.
- **AIP-35: Idle Finance Tranches.** This offered options for buying IDLE to direct IDLE gauge rewards to alUSD senior tranche.
  Read the proposal and discussion here.
  20,000 IDLE purchase was approved with 53.63% of the votes. 9,700 ALCX voted for 20,000 IDLE purchase, 6,700 ALCX voted for 'Do Nothing,' 1,400 ALCX voted for 10,000 IDLE purchase, and 207 ALCX voted for 5,000 IDLE purchase.
  See the snapshot here.
- **AIP-36: Parameters for Alchemix v2 Guarded Launch.** This proposal outlined parameters for a guarded launch for v2.
  Read the proposal and discussion here.
  The proposal passed with 100% of the votes. 175,000 ALCX voted for the proposal.
  See the snapshot here.

- **AIP-37: Stake a portion of POL to earn BENT.** This proposal offered options for staking POL to earn BENT to influence CVX voting power.
  Read the proposal and discussion here.
  'Do Nothing' was approved with 90% of the votes. 24,000 ALCX voted for 'Do Nothing,' 1,400 ALCX voted for staking ¼ POL, and 672 ALCX voted for staking ½ POL.
  See the snapshot here.
- **AIP-38: Gitcoin Round 13.** This proposal was for Alchemix to become a Gitcoin Grants Matching Partner by contributing a sum of $50,000 in ALCX tokens as part of Grants Round #13.
  Read the proposal and discussion here.
  The proposal passed with 99.75% of the votes. 152,000 ALCX voted for the proposal, and 379 ALCX voted against.
  See the snapshot here.
- **AIP-39: v1 Transmuter Migration to AMO and Boosted Yield.** This proposal was for deployment of Alchemix AMO and for migration of the Transmuter v1 liquidity over to the v2 AMO.
  Read the proposal and discussion here.
  The proposal passed with 100% of the votes. 184,00 ALCX voted for the proposal.
  See the snapshot here.
- **Badger Citadel Whitelist Registry:** This proposal asked users if they wanted to be whitelisted for Badger Citadel on an individual basis.
  See the snapshot here.
- **AIP-40: Alchemix Quarterly Budget Request.** This proposal was to approve a $450,000 quarterly budget to pay for developers, audits, marketing, and infrastructure.
  Read the proposal and discussion here.
  The proposal passed with 99.92% of the votes. 106,000 ALCX voted for the proposal, and 87 ALCX voted against.
  See the snapshot here.
- **AIP-41: v2 alETH Unguarded Launch Parameters.** This proposal was to set parameters v2 alETH unguarded launch parameters, and the parameters for migrating v1 debt cap to v2.
  Read the proposal and discussion here.
  The proposal was approved with 99.95% of the votes. 97,000 ALCX voted for the proposal, and 49 ALCX voted against.
  See the snapshot here.

Other Stats

The following are some miscellaneous statistics:

- Twitter: AlchemixFi had 62,717 Twitter followers as of 31 March 2022.
- Discord users: 10.5k verified members with 8,952 total bans over the history of the discord.



This chart shows the different ways by which users have joined Alchemix's discord server.

- The numbers for some of this report's metrics are available for review here.
- See Google trends for Q1 2022 for Alchemix here.

Links

- Alchemix website
- Alchemix newsletter
- Alchemix statistics
- Alchemix Github (includes contract addresses)
- Alchemix Gitbook