Twitter Thread by Amrit Kummer

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$ZIL ecosystem has grown rapidly in the last few quarters and at least some of it can be attributed to the cascading network effect of seed node staking. A thread on observations, thoughts and ideas on taking it to the next-level (bundled together with some tangible numbers).

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1/ Staking has so far locked around USD 400 million of $ZIL. In fact, the underlying incentive design has converted passive community members into daily active network users. And the numbers do speak. Since its launch, the daily txn volume on the network has increased by ~40%.

2/ The most immediate network effect of staking came in the form of $gZIL -- an ecosystem-wide governance token issued alongside staking rewards. $gZIL itself has driven a quarter million on-chain transactions (in the form of token transfers).

3/ The next impact of staking was on ZILSwap -- a DEX. $gZIL + $ZIL pool is the largest on ZILSwap. The $gZIL + $ZIL pool alone has over half a million in liquidity. $gZIL has also been the most traded asset on ZILSwap cumulatively reaching over USD 4.4 million since its launch.

4/ I believe that staking has potential for further cascading effect. Take the staking contract for example, we are looking at USD 400 million of $ZIL locked in there. This trapped liquidity is begging for another application to make use of it.

5/ This is where @DevPillar protocol may chip in. @chanwen_ is fiddling with this idea, where you delegate your $ZIL to a vault contract, which then stakes on behalf of you with the staking contract. Staking contract then issues $bZIL -- short for bonded $ZIL to you.

6/ Say for every 100 $ZIL staked, you get 75 $bZIL. You could now take your $bZIL and use it as a collateral in Pillar and borrow Pillar stablecoin. If the parameters are set right, it would be possible to pay back the interest rate for the loan via your staking returns.

7/ Another idea is around seed node operators themselves. These operators are currently serving API request for transaction data and help users connect with the Zilliqa network for sending their transactions. These operators can double

up as a Chainlink-like oracle network.

8/ And the best part is that they already have an incentive coming from staking. So, no real need to issue any other token. Seed node operators could serve oracle requests such as price data in the same way they are currently providing Zilliqa network data.