Twitter Thread by Andrew Køng



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With $50-$500 dApp interaction fees, DeFi mainly just caters to the whales

Major DeFi apps launching on Layer 2 can 10x the number of DeFi users

2021 is the year it happens

But DeFi apps will be launching across a host of different L2s - zksync, Starkware, Optimism, Matic, etc

With long or costly exit times moving between L2 to L1 to a different L2 users don't get the real DeFi UX that make it so magical

Luckily, @thorchain_org exists

People talk about Thorchain in the context of connecting other L1s, but most L2s are separate blockchains themselves that can just as well connect to Thorchain

This means that if Thorchain bridges were built for say Optimism & zksync, users would not need to go through the cumbersome process of moving to L1 first and could instead trade their Optimism coin for the same version of that coin on zksync in one tx

And since transactions on L2 are fast and cheap, so would the transaction to transfer assets between those chains

The UX for moving between chains is dramatically simplified and Arbitragers/Market makers will ensure that the version of each coin is pegged across the L2s

One thing that could make this even sexier is if Thorchain allowed for the existence of stableswap pools i.e.

- They use the Stableswap AMM function
- No RUNE required for these pools as long as they include stable assets (i.e. Optimism ETH - L1 ETH - zksyc ETH)

This means that LPs could provide in these pools with no risk of impermanent loss creating conditions for even larger pools of liquidity between chains to be staked and large amounts of assets could be transferred between L2s in one tx for little

slippage

And if you wanted to move your coin from ETH L2 to another L1? e.g. Binance Chain/Solana/DOT

Thorchain could let you do that fast and directly as well without the need of going through a CEX or other poor UX routing process

AMM Tech will connect all worlds

This adds one more to the list of things Thorchain is an indirect bet on:

- Multichain World
- Censorship resistant & no KYC value transfer
- Privacy coins
- Layer 2s