# Article information:

A Note On Borrowing Constant Function Market Maker Shares | Proceedings of the 2022 ACM CCS Workshop on Decentralized Finance and Security  
<https://dl.acm.org/doi/10.1145/3560832.3564260>

# Article summary:

1. Constant function market makers (CFMMs) such as Uniswap, Balancer, and Curve are some of the largest decentralized exchanges on smart contract platforms like Ethereum.

2. Allowing liquidity providers (LPs) to borrow Ether or USD against their shares in a CFMM protocol can improve capital efficiency.

3. LP borrowing in CFMM protocols can be at least as secure and capital efficient as direct borrowing in Aave/Compound, and risks can be hedged through barrier options. The payoff of borrowed CFMM LP shares replicates bounded convex payoffs, making CFMM lending a safe mechanism for improving capital efficiency.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

该文章主要探讨了在CFMM协议中允许流动性提供者（LP）借贷以提高资本效率的安全性和资本效率。然而，该文章存在一些潜在的偏见和缺失。

首先，该文章没有充分考虑可能存在的风险。尽管作者提到了通过期权对冲风险，但并没有详细说明如何应对潜在的黑客攻击或智能合约漏洞等风险。这种不平衡的呈现可能会误导读者认为CFMM借贷是完全安全的。

其次，该文章只关注了CFMM借贷与Aave/Compound直接借贷之间的比较，并未考虑其他可能存在的替代方案。例如，如果LP可以将其股份抵押给传统金融机构以获得更低利率的贷款，那么这是否会影响CFMM借贷的吸引力？作者没有对这些问题进行深入探讨。

此外，该文章似乎忽略了市场波动性对CFMM借贷带来的潜在影响。如果市场价格剧烈波动，那么LP可能会面临违约风险或无法及时偿还债务等问题。作者没有考虑这些风险，也没有提供相应的解决方案。

最后，该文章似乎存在一定的宣传内容。作者声称CFMM借贷是提高资本效率的安全机制，但并未提供充分的证据来支持这一主张。此外，该文章似乎偏袒CFMM协议和LP，而忽略了其他参与者可能面临的风险和挑战。

综上所述，虽然该文章提出了有趣的观点和研究结果，但其存在一些潜在的偏见和缺失。读者应该保持谨慎，并对其中的主张进行深入思考和评估。

# Topics for further research:

* Risk management in CFMM lending
* Alternative lending options for LPs
* Impact of market volatility on CFMM lending
* Evidence supporting the safety and efficiency of CFMM lending
* Consideration of risks and challenges faced by all participants
* Balanced analysis of CFMM lending and its potential drawbacks

# Report location:

<https://www.fullpicture.app/item/b7593126ad0e6a5e64bf1733ad8e196c>