

Módulo 1

**Before the video,
introduce some
keywords of it.**

1. Yield Farming:

Yield farming is a high-risk investment strategy where investors stake or lend cryptocurrency assets on a decentralized finance (DeFi) platform to earn a higher return. It involves providing liquidity to various token pairs and typically relies on decentralized exchanges (DEXs) to earn interest and speculate on price swings.



2. Staking:

Staking involves holding a cryptocurrency in a digital wallet to support the operations of a blockchain network. Participants, known as validators, lock up their coins as collateral to validate transactions and secure the network. In return, they receive rewards, typically in the form of additional cryptocurrency tokens.



3. Liquidity Provision:

In yield farming, liquidity provision refers to the act of providing liquidity to decentralized exchanges by depositing two crypto assets into a liquidity pool. This enables traders to execute trades, and liquidity providers earn rewards in the form of fees or new liquidity pool tokens.





4. Decentralized Finance (DeFi):

DeFi refers to a category of financial services and applications built on blockchain technology that aim to disrupt traditional finance.

Yield farming often takes place within the DeFi ecosystem, leveraging decentralized protocols and smart contracts to facilitate lending, borrowing, and trading of digital assets.

5. Smart Contracts:

Smart contracts are self-executing contracts with the terms of the agreement directly written into code. In yield farming, smart contracts automate various processes such as distributing rewards, facilitating lending and borrowing, and managing liquidity pools on DeFi platforms.



6. Governance Tokens:

Governance tokens are cryptographic tokens that grant holders voting rights and decision-making power over the protocol or platform. In yield farming, participants may receive governance tokens as rewards for providing liquidity or staking assets, allowing them to participate in platform governance.

7.Risks:

Yield farming and staking both involve financial risks, including market volatility, impermanent loss, rug pulls, and regulatory uncertainty. Participants must carefully assess these risks before engaging in yield farming or staking activities.

