

dorm dao 🍜

Oregon



Canto – \$CANTO

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# Market Demand

\$MKR 3x



# Macro Factors & Narrative

## Real World Assets (RWAs)

- “Higher for longer” interest rates
- Bringing RWAs onchain
- Tokenized treasuries
- Treasury backed stablecoins (Maker)

## Layer 2s

- Attention is on Ethereum layer 2s as the scaling solution Ethereum needed
- Base, zk rollups, EIP 4844



# Market Demand



Boston Consulting Group:

\$16.1 trillion in tokenized RWAs  
by 2030, currently \$600 billion  
- CAGR: 59.85%

MakerDAO profiting on treasuries

\$1.69 billion DAI in DAI Savings  
Rate

## Estimate of annual profits

How much profit the protocol will make if expenses and parameters remains stable.

**78,022,294 DAI**

↑ 6.57M 6.13% of market cap P/E 16.32



# Market Demand

\$MKR 3x



# Canto Architecture

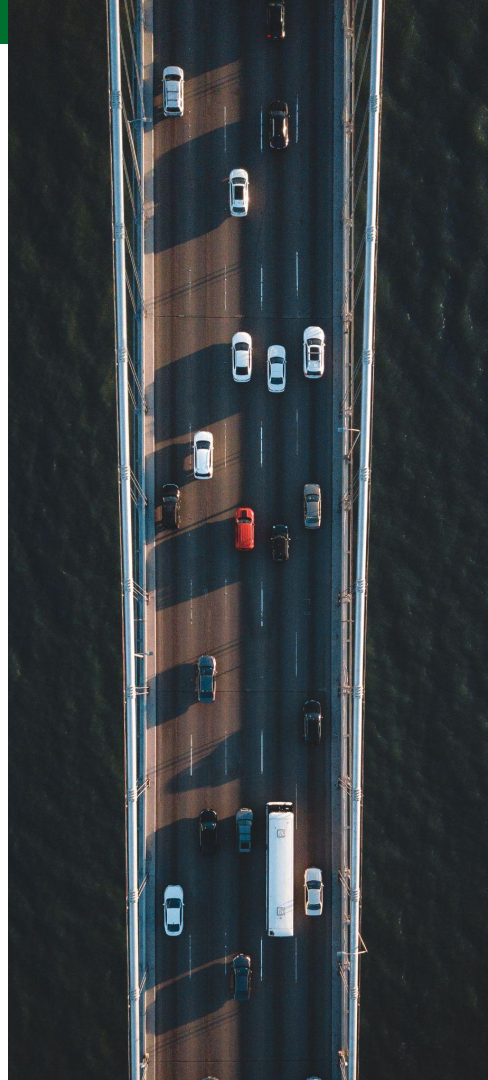
Currently a Layer 1 network

## Focus on Free Public Infrastructure (FPI)

- Avoid rent extraction from user capture
- Facilitate user acquisition for newer protocols
- Liquidity as a free public good

## Contract Secured Revenue (CSR)

- Developers get a cut of all fees generated from smart contracts they write



# What does Canto Do?

## DEX

- Prevent rent seeking via standardized interface & no fee switch

## Canto Lending Market (CLM)

- Adaptation of Compound V2, controlled by stakers
- Allows LP tokens to be borrowed against

## Soft-pegged Stablecoin \$NOTE

- Fully collateralized, uses interest rates to maintain soft peg
- Interest goes to treasury for public goods funding



# NEW: Canto NeoFinance

*\*Updated whitepaper in last 2 weeks*

## **\$cNOTE**

- Lend out \$NOTE to the CLM to get \$cNOTE (like a receipt)
- Earn yield on \$cNOTE

## **US Yield Coin**

- Tokenized treasury
- KYC whitelisted people can mint and borrow \$NOTE against USYC deposit
- Expect market forces to push the \$NOTE borrow and lend rate to just under risk free rate



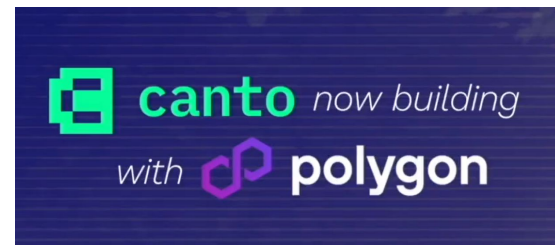


# Recent Events

Hashnote & Fortunafi to bring RWAs onchain to Canto

Transition to an Ethereum ZK rollup powered by Polygon CDK

Needs repricing



# Recent Events

DeFiLlama isn't updating TVL on USYC and \$cNOTE

Growth isn't being priced in



**ambient** @ambient\_finance · Oct 16

1/ Introducing Ambient Finance on @CantoPublic – starting with an incentivized liquidity pool for \$cNOTE/USDC.

This Canto deployment of the Ambient DEX brings gas-efficient, highly-customizable trading, which will be used in support of Canto's neofinance infrastructure.



8

37

132

22.9K



Some accounts you follow often like this account



**Oxngmi** ✓

@0xngmi

do you have a list of pools we can use to list this on defillama? doesnt seem like you have a subgraph on canto

**dorm dao**

10:40 AM · Oct 19, 2023 · 735 Views

# Team

Group of developers came together to make chain, left to public

Focus on for the public, by the public

- No foundation
- No core team

## Scott Lewis

- DeFi Pulse, Slingshot, Hype, Atrium, and Code4rena



## Plex

- Quantitative trading
- Mechanism design
- Engineering
- Product

## NeoBase

- Canto chain analytics
- Provides an RPC node endpoint
- Makes Canto APIs

# Roadmap



## Network Building

Hackathon-style build competitions & CSR

- Scott Lewis

## Polygon CDK

Continue to transition to L2 on Ethereum

## Hashnote & Fortunafi

Bring RWAs onchain to new uses & financial instruments

## Blank Rasa

- Namespace
- Profile picture
- Bio

No official team, no official roadmap



# Auditing Background



## Code4rena

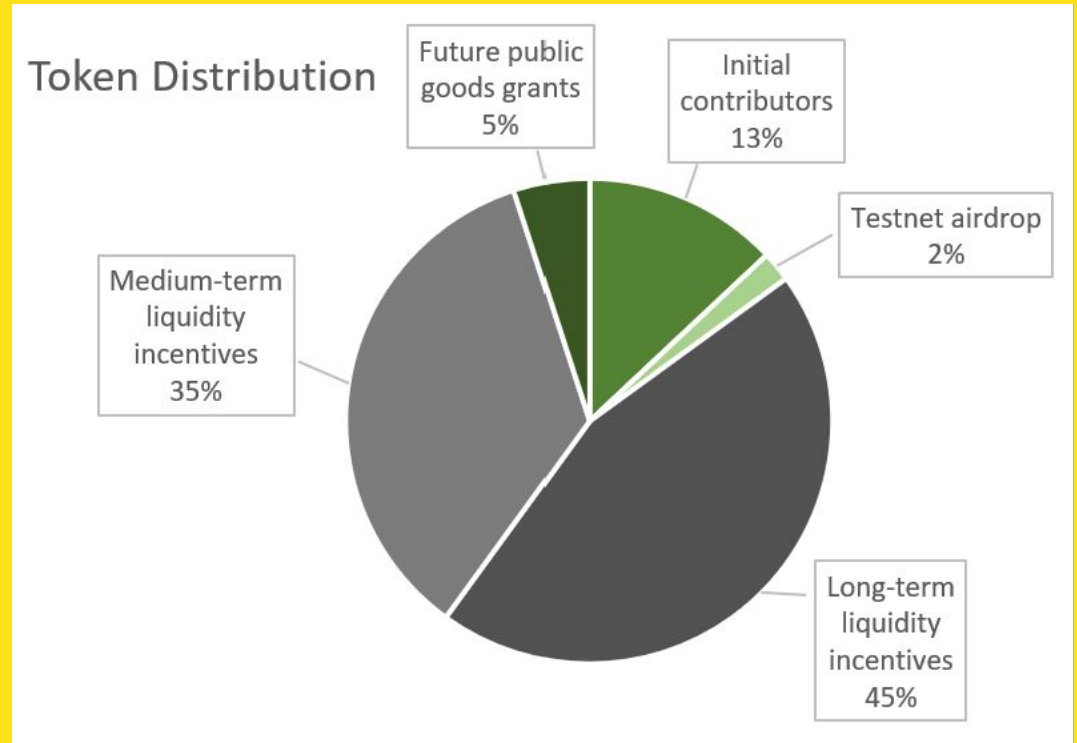
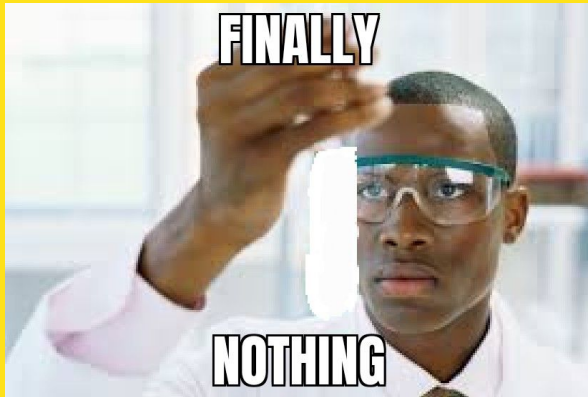
- Open source, bug bounty audits
- 3 audits summer 2022
- Found a relatively large number of vulnerabilities relative to Base & Eigenlayer

## Going forward...

- Network security is something to pay attention to
- Working with Polygon could bring more attention to security



# Tokenomics & Vesting



# How the token Captures Value

## Stake \$CANTO for governance

- Govern the CLM, DEX, and network proposals
- Treasury funding



# Investors



None





# Competition Landscape

Project	Network	Composable Execution Environment	Core Functions
Canto	Ethereum L2	Yes	Free Public Infra, Partnerships, L2
Centrifuge	Polkadot	Yes	RWAs as NFTs, credit disclosure
Goldfinch	Ethereum	No	Private credit market
MakerDAO	Ethereum (soon NewChain)	Yes	Stablecoin collateralized by RWAs
Frax	16 chains	No	Stablecoin, LSD, Frax Price Index, RWA collateral



# Comparable Analysis (Market Capitalization)

L2 Network	TVL	FDV	FDV/TVL	WTD Ratio
Canto	54	244	4.52	0.10
Arbitrum	1,682	8,024	4.77	3.42
Optimism	589	5,198	8.83	2.21
Metis	23	115	5.00	0.05
ImmutableX	34	1,041	30.62	outlier
Mantle	44	2,052	46.90	outlier
Base	302	-	-	-
zkSync	117	-	-	-
Starknet	37	-	-	-
Polygon zkEVM	19	-	-	-
L2 WTD Avg				5.78



# Comparable Analysis (Market Capitalization)

Potential TVL of Canto	FDV (current Canto multiple)	Percent Increase	Implied Price	Current Price
117	529	217	\$ 0.52	\$ 0.24
302	1,365	559	\$ 1.34	
589	2,661	1,091	\$ 2.62	

<b>Tokenized RWAs 2023</b>	600,000,000,000
<b>Tokenized RWAs 2030</b>	16,000,000,000,000
<b>Years</b>	7
<b>CAGR</b>	59.85%



# Investment Thesis

- 1) USYC and yield on \$cNOTE will drive up TVL
- 2) Canto needs to be repriced as an L2
- 3) Canto needs to be repriced for its RWAs
  - a) Financial Instruments built on top of \$cNOTE & USYC

Can approach as a high-beta \$MKR position



# Fund Recommendation

\$CANTO

**Current Price:**

\$0.26



**Action:**

Buy 18,759 \$CANTO

3 ETH





# CANTO