



## **TEAM And ACE Tokens Are Available At Uniswap**

**For the convenience of buying and selling tokens, TokenStars is developing a network of partnerships with leading exchanges. So, our tokens are also available on decentralized exchanges that have become popular in recent years. Uniswap is one of the key players in the DEX market.**

Uniswap is an open-source protocol built on the Ethereum blockchain. It provides a unique solution to simplify the ERC-20 token exchange process without any centralized third parties. It means that users manage their funds themselves and do not depend on any centralized resources.

However, a lack of liquidity, that is, an insufficient amount of funds flowing through the platforms, has prevented these decentralized exchanges from becoming popular with liquidity providers.

However, Uniswap is different from the rest of the exchanges. It does not use the order book to determine prices. Instead, the protocol operates based on an equation where total liquidity is a constant in the pool. For the model to work, it takes into account sources of liquidity. So she creates a pool that supports decentralized trade and lending. The process includes listing and swapping ERC-20 tokens with no order book.

## **How does Uniswap work?**

The Uniswap protocol was inspired by the automated market maker (AMM) concept by Vitalik Buterin. Uniswap primarily uses the Constant Product Market Maker Model, an Automated Market Making (AMM) variant that contains pools of liquidity for traders.

Subsequently, in May 2020, Uniswap introduced an updated version - Uniswap V2 along with liquidity pools. Unlike its predecessor (V1), users can now swap ETH and ERC-20 tokens, while V2 uses Wrapped Ether (wETH) in core contracts where users can combine ERC-20 tokens directly with any other ERC tokens. In addition, prices have become more reliable and more difficult to manipulate.

## **How does the liquidity pool work?**

Liquidity pools are liquidity reserves locked into a smart contract, usually funded by liquidity providers. Stablecoins such as USDT and DAI are the main constituents of the pool. Since Uniswap exists in an inclusive environment and liquidity pools are the backbone of Uniswap, it is important to understand its fundamentals.

Anyone can be a liquidity provider (LP). To become an LP, you need to deposit the equivalent value of ETH and ERC-20 tokens into the pool. One of the functions of AMM is that you can provide liquidity regardless of the size of the liquidity pool. In exchange, you will receive a reward in the form of liquidity tokens according to your contribution. This also means that the number of unique tokens you receive is proportional to the pool's liquidity. These liquidity tokens are used to track your pool contribution, allocate transaction fees, and for various uses in Defi applications (dApps).

When comparing Uniswap and centralized exchanges, you may find that the former has no listing fees on Uniswap. As such, Uniswap quickly became one of the most popular token exchange protocols. Interestingly, Uniswap took off when Ethereum was still struggling with scalability issues during the Proof of Work consensus.

## **How do I exchange tokens using Uniswap?**

The process of exchanging tokens on Uniswap is pretty straightforward. To convert one ERC-20 token to another, you will need an Ethereum wallet and internet access. Since Uniswap is an open source protocol, anyone can use its code to run their own applications. Alternatively, you can access it through the native Uniswap app.

Here is a step-by-step guide on how you can swap tokens on Uniswap:

1. Open the Uniswap app.

2. Connect your ERC-20 wallet like Metamask, Trust Wallet or hardware wallet like Trezor or Ledger Nano S.
3. Select the pair of tokens you want to swap, click the "Swap" button.
4. In the pop-up window, review the transaction details and confirm the request in your wallet.
5. You can monitor the status of the transaction on Etherscan.

The Uniswap team has created a solution that the cryptocurrency community has been waiting for. With Uniswap, Ethereum-based token swapping has become incredibly easy. We hope you enjoy it.