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Thread: [ETH 2.0 Phase 2 Dump](#)

Omniscient - April 15, 2021, 3:46 pm

I'm investigating staking 32 ETH as a validator. Looks promising in many respects. However it's worrisome that you can't withdraw till Phase 2 is completed of the 2.0 release.

<https://docs.ethhub.io/ethereum-roadmap/ethereum-2.0/eth-2.0-phases/>

Not only could we be years away from that day but can you imagine if there is a huge dump of ETH into the market? It's an aspect of ETH 2.0 that everyone should know about and consider carefully when investing into ETH.

Orchid - April 15, 2021, 3:54 pm

[TOBi](#) helped me understand ETH and it's staking mechanisms. Seemed too risky for me and my funds. Was fully planning on staking 75% of my ETH holdings back in November/December. However, since I have found Bancor, I don't even think about staking on a third party platform.

If you have any preconceived drawbacks to Bancor, I would love to entertain them.

Bancor isn't 'staking' but it's damn near the next best thing.

shreder - April 15, 2021, 4:08 pm

Few factors to consider here.

Firstly is you must take into account more or less everyone staking is well aware their funds are locked for 2+ years unable to withdraw validator. I do not think we should question those running validators' resolve towards the long-term commitment to Ethereum. If these people were willing to skip a bull run and stake, it's safe to assume they won't dump.

Secondly, there are nearly 120,000 validators equalling 3,822,507 ETH total staked. With a 32.78 ETH average balance currently. Let's assume they are going to be able to withdraw in 2022 with a profit of 5 ETH assuming 8% APY stays steady which it won't because more validators will continue to join the network. A conservative figure of 4 ETH profit across avg of 200,000 validators is only equal to 800,000 ETH in 2 years. Considering miners earn 13,000~ ETH daily equal to 4,745,000 ETH mined annually currently. We can see clearly even if ETH validator ETH will be a drop in the ocean compared to what miners are mining now.

Thirdly, the deflationary aspect of EIP-1559 coupled with lower inflation from ETH2 after merger which is expected after London hardfork in July. <https://hackmd.io/@timbeiko/why-1559> What we'll see is even lower supply of ETH and likely higher demand.

TL;DR - Miners currently produce more ETH than validators have locked up and will produce in 2 years even if all validators sold every drop of ETH they have locked up and earned it won't even be more than what miners mine in a year. Coupled with deflationary pressure of EIP-1559 and lower inflation rate of ETH PoS. We have a recipe of success.

SIM-1422930 - April 15, 2021, 4:53 pm

I don't really favor staking eth ...8% is nothing -You can make this percent in a week or so with

simple trading

Swip3r - April 15, 2021, 5:06 pm

Well if you want to stake on a CEX I know some actually pay you out in eth2 and even allow you to trade the pair on their platform.

But Shreder summed it up beautifully.

.Infinity. - April 15, 2021, 5:18 pm

I personally think any significant amount locked up on the 2.0 network will help drive the price up.

Marvelous - April 15, 2021, 6:08 pm

I thought about this too. I have a validator, and I have a bag I plan on selling right before you can withdraw from your validator. As I think more about it, I don't really think it will drop that much tbh. People that are staking rn are long term hodlers.

T0Bi - April 16, 2021, 9:05 am

Apart from what [shreder](#) already said, you can think about staking with rocketpool.

<https://www.rocketpool.net/>

If you're running your own validator(s) (16 ETH each) you'll have a higher APY than with a single normal Eth2 node.

OR you can just let others do the work and accept less staking reward, but you can cash out whenever you want.

Upon staking your ETH you'll receive rETH which will increase in value according to the staking rewards.

When you want to stop staking, simply sell your rETH.

Less APY but also more flexible.

Interesting reads:

[Rocketpool - Part 1 — Overview and Users of the protocol](#)

[Rocketpool - Part 2 — Protocol & The Oracle Node DAO's](#)

[Rocketpool - Part 3 — RPL & Tokenomics](#)