

What

CESR is a daily benchmark rate representing the mean, annualized staking yield of the Ethereum validator population.

Why

CESR provides participants in the Ethereum ecosystem with a standardized benchmark rate for staking and a settlement rate for derivative contracts. CESR can also help market observers and analysts generate deeper insights across Ethereum.

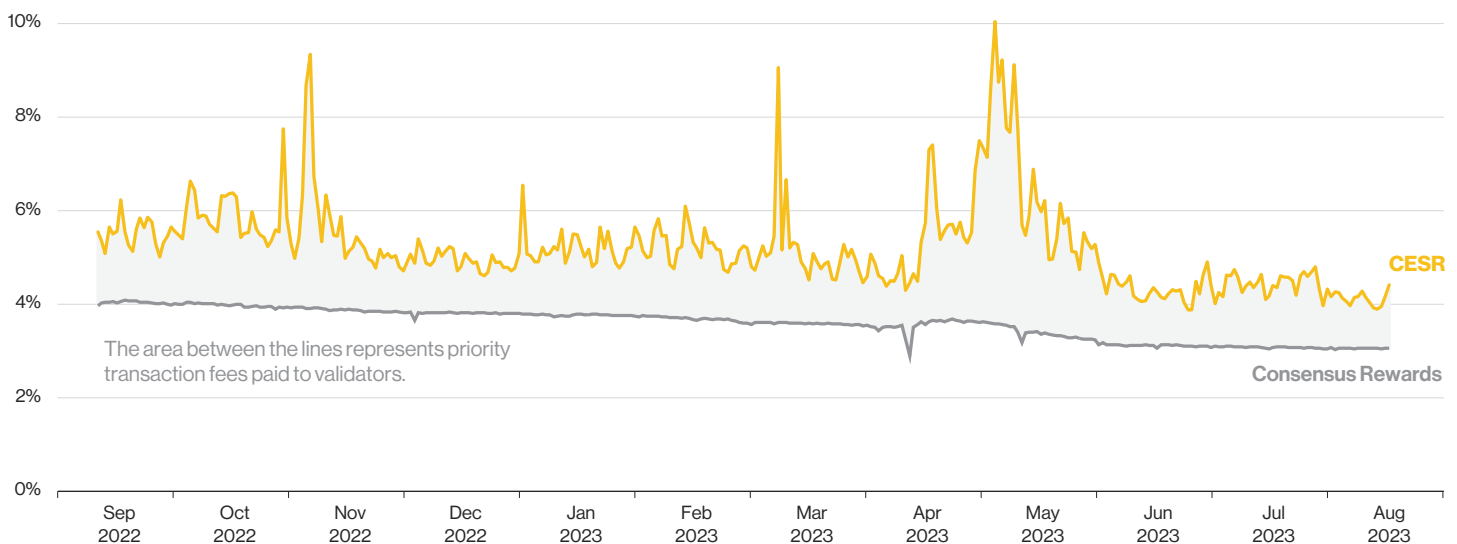
How

CESR captures all relevant rewards to Ethereum validators, including consensus rewards and total priority transaction fees. The methodology accounts for deposits, withdrawals, and penalties. Historical daily CESR rates can be aggregated to address any evaluation period or contract tenor.

Who

CESR is administered by CoinFund and is calculated by CoinDesk Indices.

CESR Historical Values



Source: CoinDesk Indices as of 8/16/2023.

Learn more about **CESR** by contacting a CoinDesk Indices specialist today at sales@coindesk-indices.com or by visiting coindesk.com/indices/ether/cesr.

What are the use cases?

Benchmarking

ETH investment products offering staking yield can benchmark performance to CESR. Managers and advisors can use CESR to demonstrate alpha generation to current and prospective investors.

Risk transfer contracts

Participants in the ETH marketplace include those seeking to reduce staking yield volatility (e.g., validators) and those seeking to gain access to unexpected excess yields and, potentially, a staking yield risk premium. CESR can be used as a settlement value for futures, swaps and forward contracts. The development of a liquid term structure of implied staking rates will enrich the market and provide a foundation for valuation, hedging strategies, and structured products.

Market monitoring and analysis

CESR's daily rate and volatility are driven by a variety of Ethereum market dynamics, including size of the validator population and fluctuations in network demand. CESR can increase significantly when market participants move assets on-chain to reduce centralized counterparty exposure. Since ETH transaction fees are a function of network activity, CESR historically increases during periods of excitement about new token launches.

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