

What Is PancakeSwap?

The Ultimate Beginner's
Guide On How To Use
Pancakeswap

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What Is Pancakeswap?

PancakeSwap is a decentralized exchange on Binance Smart Chain (BSC), one of Ethereum Blockchain Network's top competitors. Actually, the Binance Smart Chain blockchain network is the creation of Binance, a centralized cryptocurrency trading known for being the biggest in the entire globe. With PancakeSwap Exchange Functionalities, Binance is essentially competing against 2 major distinct cryptocurrency establishments that is Ethereum and Uniswap.

However, cryptocurrency and DeFi narratives aside, PancakeSwap is one of today's largest Decentralized Finance protocols and one that requires and needs explaining if you're new. This article to PancakeSwap will guide you the basics of how the pancakeswap decentralized exchange & liquidity protocol work, along with how to use each and everything to your benefit

What is PancakeSwap? It's More Than Just Another Food-Themed DeFi Protocol

PancakeSwap is a DEX Exchange or decentralized exchange built on Binance Smart Chain (BSC), a speedy and inexpensive alternative to the Ethereum blockchain network. More like the celebrated Uniswap DeFi Automated Making Marketer protocol running on Ethereum Blockchain, PancakeSwap activates crypto users to swap between digital assets by tapping into crypto user-generated liquidity pools.

To develop said liquidity pools, the PancakeSwap exchange provides a plethora of Decentralized Finance farming opportunities for liquidity offers. The liquidity pool grab has so far worked like a lucky charm — well like \$1 billion in total value locked (TVL) has migrated to PancakeSwap since it created its steps. PancakeSwap rewards those who stake Pancakeswap native BEP-20 token called CAKE (TCAKE) . When you stake CAKE (TCAKE), you get SYRUP at a 1:1 percentage ratio. Containing SYRUP entitles you to 25 percent of the CAKE emissions distributed proportionally to crypto token holders.

PancakeSwap vs. Uniswap vs. SushiSwap

In today's cryptocurrency market scenario, there are 3 major decentralized exchanges ruling the roost.

Uniswap — The original Decentralized Finance liquidity protocol built on Ethereum blockchain. Today's standard for easy cryptocurrency exchange using ERC-20 tokens and mostly ETH pair tokens.

SushiSwap — A community-governed Uniswap fork has executed into a Decentralized Finance hub providing token swaps, yield farming, crypto lending, and crypto borrowing.

PancakeSwap — Uniswap clone exchange built on Binance Smart Chain to deliver fast and inexpensive crypto trades using BEP20 tokens and mainly it activates the BSC↔ETH bridge

There are only 2 major decentralized exchanges in Ethereum Blockchain's DeFi ecosystem that are Uniswap and SushiSwap. While all 3 decentralized exchange activates community governance, yield farming, and liquidity provider, and profit-based crypto trading opportunities, only Sushiswap and PancakeSwap pay rewards back to crypto token holders who stake their own crypto tokens.



Uniswap and Sushiswap both compete with each other at an extreme exchange features level, so which one is best and why?

Revenue Sharing Token

SUSHI crypto holders who stake their crypto tokens receive xSUSHI, a high revenue-sharing token that gets transaction fees from the particular protocol. Similarly, CAKE containers who stake their crypto tokens receive SYRUP, entitling containers to rewards paid in CAKE (TCAKE). The essential and major difference between the 3 Decentralized Finance protocols is that the UNI crypto token is solely used for governance. This is a major difference that explains why large liquidity migrations from Uniswap exchange to both Sushiswap and PancakeSwap happened as Liquidity Providers sought more wealth provision.

Farming Liquidity Provider Tokens

Similar to Defi-based yield farming on SushiSwap Exchange, farming Liquidity Provider tokens on PancakeSwap is pretty easy and simple. Find the right pair of digital assets you already hold token or are willing to supply token, fire up your Metamask wallet, deposit, and yield farm. The fantastic aspect of farming using Pancakeswap Exchange vs. SushiSwap Exchange, however, is in how much lower and cheaper it is to deposit said digital assets on the yield former. Binance Smart Chain (BSC) is the way cheaper to use than Ethereum Blockchain Network— but that's because it's also far more centralized exchange manner.

Cheaper + Faster Transactions

In addition to that, PancakeSwap exchange is less expensive, Cheaper, and faster to use than both Uniswap and Sushiswap. The major reason is PancakeSwap exchange is built on the Binance Smart Chain network, a high-throughput blockchain network built by Binance to compete with the Ethereum blockchain.

Binance Smart Chain achieves its high-level scaling powers in part by being less decentralized than Ethereum Blockchain Network, but that doesn't seem to deter crypto users from taking benefit of its barely-there cheaper and faster transaction fees. Trading on PancakeSwap Exchange is undeniably best for smaller cryptocurrency wallets who can't quite call themselves cryptocurrency whales & do not have unlimited crypto funds to drop on gas fees.

Accessing PancakeSwap Exchange is still familiar for Ethereum based crypto users since you can connect to the cryptocurrency exchange using Metamask wallet, just like you do when using Uniswap exchange and SushiSwap exchange.

Gamified Exchange Experience

Uniswap exchange is one kind of serious decentralized exchange apart from uniswap's fun unicorn logo. Ditto SushiSwap exchange and its homage to Japanese food & spa culture appearances. PancakeSwap Crypto, on the other hand, it takes the fun to a new level with PancakeSwap Lottery schemes. Every day, cryptocurrency users deposit a number of CAKE tokens (TCAKE) into the lottery then wait for the winning numbers to be announced instantly.



The more crypto deposits, the larger the wallet pot, and the greater the defi stakes. To increase your odds of winning, you deposit more CAKE (TCAKE). The mechanics of the Lottery schemes are simple yet brilliant and smartest way which explains why it's such a hit with crypto and DeFi users.

So, PancakeSwap AMM replaces the centralized order book found on exchanges like Coinbase and Binance. This functionality is fortunate for users who want to use PancakeSwap to exchange cryptocurrencies or provide them in return for rewards. Before delving into PancakeSwap, you'll need to understand how to connect Metamask to Binance Smart Chain. Here is an easy guide to follow before getting started on PancakeSwap.

PancakeSwap Decentralized Exchange

To use the PancakeSwap DEX, jump over to Pancakeswap. finance Platform, then click Trade from the menu options.

After doing that, you will get 2 options: Exchange and Liquidity menu options. Click the Exchange button to toggle the tool at the middle of your screen to the Swap feature.

Now, you can choose the exchange inputs. select the cryptocurrencies you want to swap from the drop-down menus in each line. When you trade cryptocurrency on PancakeSwap exchange, you're exchanging against the Automated Making Marketer liquidity pools generated by crypto users instead of an order book.

This makes swaps speedy, easy, and flexible compared to a centralized exchange (CEX) since anyone can develop a crypto pair, offer liquidity for it, and thus open up a new cryptocurrency market for the Decentralized Exchange.

Once you have choose the digital assets you want to decentralized exchange, click the Swap button and confirm the transaction in your cryptocurrency wallet, and you're done now!

One thing to note, you can only trade BEP20 tokens on the PancakeSwap Decentralized Exchange. That is because PancakeSwap is built on Binance Smart Chain Blockahin Network, not Ethereum Blockchain. However, even if you only hold ERC20 crypto tokens, you're in the lucky part— just click and use the Binance Bridge options to wrap your digital assets for use on PancakeSwap Exchange.

Binance Bridge

If you want to exchange ERC-20 tokens on the PancakeSwap Trading platform, you will reuquire to wrap them on the Binance Bridge to turn them into BEP20 digital assets (standard) After doing that, then connect your crypto wallet. Assuming you are connecting from a Metamask cryptocurrency wallet on the Ethereum blockchain network, you will be asked to confirm the entire crypto transaction on the Ethereum side, which will cost an amount paid in ETH.

While this kind of transaction may be expensive due to high Ethereum gas fees, once you get your cryptocurrency assets wrapped and bridged over to Binance Smart Chain, you will save tons in crypto trading fees by virtue of the PancakeSwap exchange's low prices. Binance Bridge is not just for cross-chain digital assets used in cryptocurrency trading. You can also benefit from it to the bridge of Ethereum digital assets you want to use to offer liquidity and defi yield farming on the PancakeSwap exchange.

Once you have completed the entire activities on PancakeSwap and you want to convert your BEP20 assets back to ERC20, it just follows the same procedures in reverse using Binance Bridge options.

How To Provide Liquidity to PancakeSwap Exchange

Like Uniswap exchange and SushiSwap exchange, you can become a liquidity provider on PancakeSwap exchange to receive some kind of reward. Doing so is quick, easy and keeps the Automated Making Marketer(AMM) liquid for exchange crypto traders or users.

Click Liquidity, then Add liquidity and make sure your cryptocurrency wallet is unlocked. Now you will be asked to specify which crypto tokens you are providing liquidity for. Remember, providing liquidity on PancakeSwap exchange is done in crypto token pairs, meaning you must provide 2 crypto tokens.

You can provide liquidity to either:

- *Existing pools*
- *A pool developed by you*

Developing your own pool is usually done by new crypto projects seeking to debut their cryptocurrency token. That is also providing liquidity to an existing pool is the better option.

Once you choose the pair you are providing liquidity for, go ahead and deposit by confirming the entire cryptocurrency transaction. After depositing the cryptocurrencies, you'll receive FLIP, a Liquidity Provider token that represents your stake in the liquidity pool.

The use of holding the FLIP Liquidity Provider token is each and every time an exchange happens that taps into your pool's liquidity, you will receive a part of the certain rewards. To claim those awards and rewards, you will also simply redeem your FLIP tokens to unlock the underlying digital assets which they, by now, have grown in digital value.

Yield Farming on PancakeSwap Exchange

Yield farming and offering liquidity are 2 various things you can do on PancakeSwap exchange — don't mix them up to anything!

Offering liquidity means your original digital asset amounts increase as the liquidity pool they are in is used for decentralized exchange transactions. Yield farming means you will deposit one set of digital tokens to mint another token altogether manner.

To DeFi yield farm using PancakeSwap exchange, choose the Yield Farms tab. Make sure the toggle is switched over to Live yield farms. A long list of features should populate the entire page including many yield farms with BUSD & BNB based token pairs.

Select the yield farms that interest you most like, then hit the details to see how much CAKE each yield farm earns. PancakeSwap exchange farming APY is currently high across many token pairs, with farms like DUSK Token - BNB Token getting well over 200 percentage APY.

After hitting details, PancakeSwap exchange will prompt you to unlock your cryptocurrency wallet before detecting the digital currencies inside and permitting you to deposit them in the DeFi yield farm. Once you have deposited, the certain page will update with your CAKE (TCAKE) earned.



Playing with the PancakeSwap Lottery

Most of the time, getting lucky on a cryptocurrency trade can feel a lot like winning the lottery scheme. PancakeSwap Lottery permits you to do exactly that benefiting your CAKE digital tokens.

Click Lottery scheme, then purchase lottery tickets using CAKE digital tokens. The more CAKE token you have to spend, the better your odds of winning possibilities. If you match 2 or more of the winning numbers on your tickets, you win a certain part of the overall CAKE pot method.

Lottery scheme sessions happen many times per day and each and every 6 hours to be exact. This kind of feature keeps the turnover high and your lucky chances for eventually striking gold intact.

PancakeSwap Initial Farm offering (IFO)

PancakeSwap is spearheading a new ICO model called the Initial farm offering (IFO). An Initial farm offering activates CAKE-BNB liquidity providers to buy a new DeFi based project's tokens. Connecting an Initial farm offering is straightforward if you are already a CAKE token -BNB token liquidity provider, you just deposit your Liquidity Provider tokens on the IFO page.

If you want to participate in an Initial farm offering but don't have CAKE-BNB Liquidity Provider(LP) tokens yet, you will definitely need to get some first. Buy BNB token and CAKE tokens equal to the total amount you want to contribute. Then, deposit those DIGITAL tokens in the CAKE-BNB liquidity pool to receive your Liquidity Provider(LP) tokens.

Now, head back to the Initial farm offering (IFO) page, deposit your Liquidity Provider(LP) tokens, then when the IFO is completed, you will receive the complete project's tokens in decentralized exchange.

Is PancakeSwap Crypto better than Uniswap Crypto?

You are probably wondering if PancakeSwap exchange is better than Uniswap exchange or rival exchanges like SushiSwap exchange.

The short and best answer is no, but it is not a long way off. There is plenty of liquidity options on the PancakeSwap exchange, making it a great and profitable decentralized exchange.

But, since PancakeSwap Exchange is on Binance Smart Chain (BSC) that is not completely decentralized manner, we also hesitate to call it a true decentralized exchange (DEX). Not being completely decentralized manner does have its advantages though.

Actually, PancakeSwap Exchange is much quicker, faster and cheaper to use than Uniswap Crypto and has similar levels of liquidity provisions. The only problem there is if you want to crypto trade ERC-20 tokens, you will need to use the ultimate option Binance Bridge coming in and out of Ethereum Blockchain, which is actually, depending on gas prices or costs, can be prohibitively expensive for some kind of aspects.

As such kind of best user experience for PancakeSwap exchange is for those who already have BEP20 crypto tokens and are eager to keep their complete trading activities on Binance Smart Chain Blockchain Network. With Binance Smart Chain's (BSC) rate of expansion past days, it should not be many hard activities to do so, either.



As one of the earliest blockchains supporting smart contracts implementations on crypto trading, the bulk of Decentralized Finance activity has been focused on the Ethereum blockchain network. Its huge community of cryptocurrency traders, users, and developers has proven to be an excellent launching point to develop powerful decentralized applications.

Farming & Staking on PancakeSwap

A significant cryptocurrency exchange trend in 2020 and continuing is yield farming and PancakeSwap exchange also permits you to yield farm its governance token – CAKE (TCAKE). Cryptocurrency or crypto traders can deposit liquidity provision (LP) crypto tokens, locking them up in a particular process that rewards crypto users with CAKE.

The following list of Liquidity Provider tokens accepted is long but a few major ones are:

- **CAKE – BNB LP**
- **BUSD – BNB LP**
- **BETH – ETH LP**
- **USDT – BUSD LP**
- **USDC – BUSD LP**
- **DAI – BUSD LP**
- **LINK – BUSD LP**
- **TWT – BNB LP**

Crypto traders and Users can also get by staking their CAKE in SYRUP pools after they have deposited certain funds to receive Liquidity Provider(LP) tokens and used them to farm CAKE. From there, crypto users can stake CAKE and earn other digital tokens via special staking pools. Further specific DEX Features and details about both yield farming and staking activities can be explained with our DeFi experts. The biggest SYRUP pool is for CAKE, where you can stake your CAKE to get even more CAKE, but there are MANY other tokens you can earn by staking CAKE as well.

Start DeFi Exchange Like Pancakeswap With White Label PancakeSwap Clone

BlockchainAppsDeveloper is the leading DeFi Development company that offers Binance Smart Chain Based PancakeSwap Clone Script to Start Decentralized Finance (DeFi) Exchange like PancakeSwap crypto supporting Yield Farming, DeFi Staking, Liquidity Pools, AMM of BEP20 crypto Tokens.

PancakeSwap Clone Development - Pancakeswap Clone Script is a multi-tested, source code to launch and deploy a DeFi based decentralized exchange like Pancakeswap with all the live features and exchange functionalities. You can get the PancakeSwap clone development services from BlockchainAppsDeveloper - Blockchain Software Development company. Being a top-rated Defi Development Company we provide a 100% reliable decentralized exchange website.

PancakeSwap Clone Software - To Launch DeFi Based Decentralized Exchange Like PancakeSwap On Binance Smart Chain



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