

# Decentralized Derivatives Platform

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## 1. Competitor Analysis ~

	<b>dYdX</b>	<b>Uniswap</b>	<b>PancakeSwap</b>	<b>Synthetix</b>	<b>GMX</b>
<b>Token</b>	DYDX	UNI	CAKE	SNX	GMX
<b>Market Cap (circulating)</b>	389.3 Mn USD	3.86 Bn USD	264.73 Mn USD	620.9 Mn USD	188.83 Mn USD
<b>TVL</b>	345.4 Mn USD	3.17 Bn USD	1.11 Bn USD	384.4 Mn USD	462.5 Mn USD
<b>Max Leverage *</b>	20x	20x	10x	25x	20x
<b>Avg Transaction Fee **</b>	0.02%	0.14%	0.09%	0.07%	0.3 %
<b>MAU***</b>	64k+	2.3M+	2.5M+	10k+	20k+
<b>Core Developers</b>	2	38	18	27	5

\*Max Leverage subject to nature of short selling

\*\*Avg Transaction Fee annualized and calculated as Annual Fee/Annual Trade Volume

\*\*\*MAU = Monthly Active Users

## 2. Competitive Insights ~

- Liquidity Pools:** As the numbers above suggest, Uniswap leads in Decentralized Derivatives Trading due to its liquidity-boosting asset exchange approach. Active liquidity pools allow seamless trading, and its AMM feature lets users create markets for ERC-20 tokens without listing fees, particularly benefiting illiquid tokens and emerging protocols.
- Low Slippage:** The impact of low slippage on crypto markets is exemplified by dYdX, which offers a custom slippage tolerance tool. dYdX defaults to a 0.5% slippage for trading, but investors can customize this percentage to align with their trading strategies.

- c. **Audits & Security:** Another highly valued DEX Synthetix successfully deployed its V3 on Ethereum Mainnet and Optimism following security audits from Open Zeppelin, Iosiro, and Macro.

### *3. User Pain Points & Key Features for our Decentralized Derivatives Exchange:*

#### **Enhanced Liquidity Mechanisms:**

- **Pain Point:** Many platforms suffer from low liquidity, leading to high slippage and limited trading options.
- **Feature:** Implement Automated Market Makers (AMMs) and liquidity pools to ensure continuous liquidity for various derivative markets.
- **Feature:** Incentivize liquidity providers through yield farming programs and rewards.

#### **User-Friendly Interface:**

- **Pain Point:** Complex user interfaces deter new users and hinder adoption.
- **Feature:** Develop an intuitive, user-friendly interface with customizable dashboards and trading views.
- **Feature:** Provide resources and in-app tutorials to onboard novice users.

#### **Advanced Risk Management:**

- **Pain Point:** Insufficient risk management tools can lead to significant losses.
- **Feature:** Implement robust risk management features such as stop-loss orders, margin calls, and risk assessment tools.
- **Feature:** Enable users to set risk preferences and receive real-time alerts.

#### **Secure and Reliable Oracles:**

- **Pain Point:** Vulnerabilities in price oracles can result in unfair liquidations and losses.
- **Feature:** Collaborate with reputable oracle providers and integrate a decentralized oracle network for accurate price feeds.
- **Feature:** Implement tamper-proof oracle solutions with regular security audits.

#### **Cross-Chain Compatibility:**

- **Pain Point:** Limited blockchain support restricts asset availability.
- **Feature:** Support multiple blockchain networks to enable cross-chain trading.
- **Feature:** Utilize interoperability solutions and wrapped tokens to bridge assets seamlessly.

#### **Community Governance:**

- **Pain Point:** Lack of user influence and transparency in platform decisions.
- **Feature:** Implement decentralized governance models that empower users to propose and vote on platform changes.
- **Feature:** Distribute governance tokens to incentivize active participation and decision-making.