Decentralized Derivatives Platform

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1. *Competitor Analysis ~*

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

1. *Competitive Insights ~*
2. **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.
3. **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.
4. **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.