Mdex

Universal DEX+IMO+DAO+DeFi

on

Huobi ECO Chain and

Ethereum

Mdex . com

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0. Abstract

At present, as the cryptocurrency economic cycle ushered in a new round of upward trend, DeFi's popularity has risen one after another, and this has brought about decentralized exchanges and the first decentralized exchange issuance is very popular, comparable It even surpassed the ICO boom a few years ago. Ethereum's powerful smart contracts and perfect application ecology make the mainstream and most DEXs on the market based on the Ethereum platform. With the rise of Huobi ECO Chain (Heco), its many outstanding features include compatibility with Ethereum smart contracts, support for cross-chain interoperability of assets, faster block generation efficiency and transaction confirmation speed, and higher security with the help of Huobi's rich and powerful ecosystem, it has a tendency to catch up with Ethereum and its ecosystem. However, the current exchanges for the Huobi ECO Chain cannot be compared with Ethereum-based exchanges in terms of key indicators such as number, activity, and trading volume. Therefore, this is a market with huge prospects and first-mover advantages.

With reference to various excellent DEXs on Ethereum, we propose and implement a new dual-chain DEX model Mdex based on Huobi ECO Chain and Ethereum, which integrates Mdex with low transaction fees

and Ethereum. The advantages of the prosperity of the Fang ecosystem, support for the dual mining mechanism of liquidity and transactions, to a greater extent stimulate users' enthusiasm for participation, and increase the rate of return on investment and arbitrage space. At the same time, based on our cross-chain asset gateway transfer protocol HT-IBC, we can realize the free conversion of user assets between Ethereum and Huobi ECO Chain, achieving high liquidity, high degree of freedom, and achieving a sustainable ecological cycle.

On the implementation route, we will migrate LPs on the Ethereum platform to Mdex in stages, migrate Uniswap and Sushiswap in the first stage, and then continue to migrate LPs on more platforms. After the migration is completed, based on Mdex's DEX, we will open and lead the world's first decentralized transaction and liquidity dual mining concept. Only with greater transaction activity can ultimately create more and greater value for users, and at the same time Bring user clustering effect and ecological prosperity. We will also develop a decentralized fundraising platform agreement-HTIMO (Initial Mdex Offering) to provide project parties and investors with a more complete and safer decentralized financing basic service platform. The HTIMO agreement will use MDX as a standard fundraising agent currency.

Our goal is to build the largest DeFi platform integrating DEX, ICO/IMO

and DAO on Huobi ECO Chain and Ethereum, providing users with more

security and credibility, asset selection and configuration diversification,

and expected return on investment Higher and decentralized token asset

trading services.

1．Introduction

1.1 Design Intuition

Mdex is an automatic market-making decentralized exchange based on the concept of fund pools. It is similar in function to some DEX on the market, but on this basis, it adds the element of liquidity mining.

The essence of the fund pool concept is to provide unlimited liquidity. As long as the user wants to trade, they can sell the currency at any time, without the situation that the exchange has only one steering wheel, so it is called AMM (Automatic Market Making). Of course, it also has certain flaws, that is, the more the price goes to the extremes, the steeper the curve. In general, AMM has great potential and value, and is the embryonic form of future human-machine exchanges.

And liquidity mining is a process of equal distribution of tokens, which can gather users interested in the project to form an ecosystem, and continue to be in a positive cycle. Mdex will generate new tokens according to each block of Ethereum, and halve it every 15 days, achieving complete decentralization.

1.2 Design Goal

- More friendly user experience

  For professional users, provide richer system contracts, programming interfaces, and auxiliary tools to improve their transaction efficiency and frequency;

  For beginner users, provide zero-learning mobile and PC products, with one-click injection of liquidity and one-click swap.

- More flexible risk strategy

  For different anti-risk capabilities, different trading strategies are provided to maximize the overall trading activity of the platform on the premise of meeting the user's risk resistance requirements.

- More token support

  Relying on the Huobi E ecosystem, cross-chain connections to other mainstream ecosystems in the industry, including Ethereum, enrich users' investment and transaction varieties.

1.3 Comparative Advantage

The platform is based on Huobi ECO Chain. Compared with Ethereum-based DEX, it has the following significant advantages:

- Lower transaction fee: compared with Ethereum's consensus algorithm EthAsh, Huobi ECO Chain's consensus algorithm has lower block production costs;

- Higher transaction efficiency: it is 2 to 3 orders of magnitude improvement compared to Ethereum's TPS, so there is no need to worry about frequent congestion on Ethereum;

- Huobi's ecological advantages: with exchanges as the core, Huobi has formed an ecosystem with a complete product line and a large number of users, especially Huobi ECO Chain own technical characteristics and late-comer advantages, and at the same time, it aims at the large scale of Ethereum smart contract applications. The market creates a natural advantage for the DEX based on it.
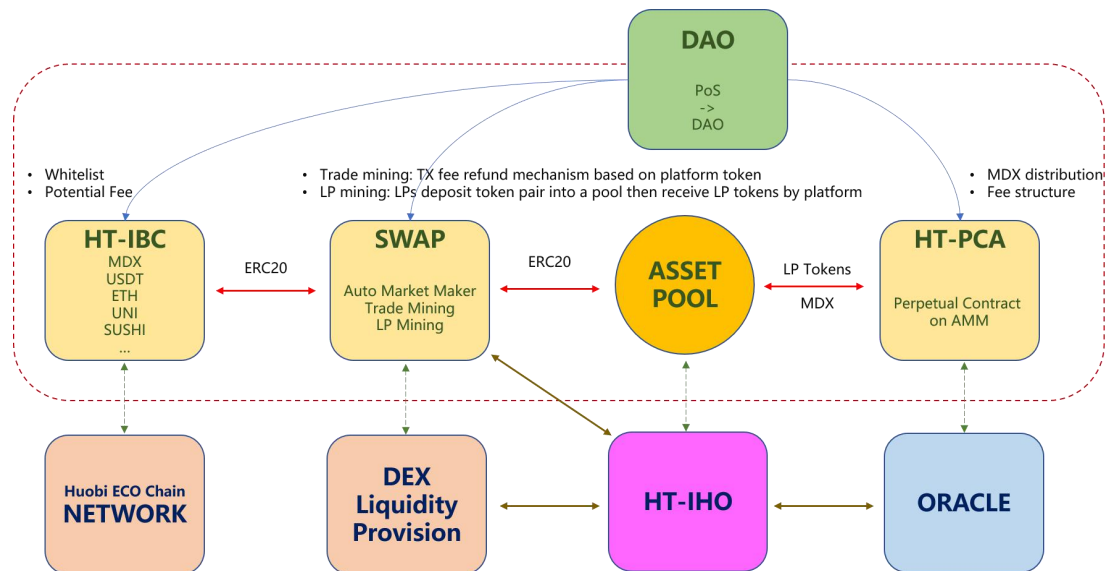
1.4 Core Features

Mdex = Uniswap + Sushiswap + Huobi ECO Chain + MDX

The main and key functions of Uniswap and Sushiswap are integrated for reference, based on the Huobi ECO Chain, with HT as the core trading medium token.

2. Main Components

● HT-IBC

HT-IBC is a cross-chain asset gateway that supports Ethereum and Huobi ECO Chain. Users can migrate native assets such as anchor assets, ETH, HT and MDX in Mdex into ERC20 assets on Huobi ECO Chain, and users can also transfer the migrated ERC20 assets back to native assets and withdraw them. As the project develops, Mdex will support the migration of more assets.

● SWAP

Based on the automatic market maker (AMM) mechanism, SWAP will provide on-chain liquidity for cross-chain assets, MDX, and other ERC20 assets in Mdex. SWAP adopts the CPMM (Constant Product Market Maker) model widely popular in many AMM-based decentralized

exchanges (DEX) represented by Uniswap. In SWAP, users can choose a trading pair (specified by the whitelist in the early stage of the project) for trading, or inject two tokens of equal value in the trading pair into a specific liquidity pool to obtain LP tokens. SWAP supports both trade mining and liquidity mining (LP mining).

- HT-PCA

HT-PCA is an AMM-based perpetual contract exchange that can provide unlimited liquidity for any digital asset perpetual contract.

- HT-IMO

HT-IMO (Initial Mdex Offering), a new type of decentralized fundraising platform protocol, uses MDX as the standard fundraising token of the HTIMO protocol. Its main features are as follows:

- Through the fundraising contract, define the time range, withdrawal frequency and quantity of tokens that the project party can withdraw. For example, it is stipulated that the tokens can be withdrawn on the second day of the fundraising deadline, and the number of withdrawals cannot exceed 10 times per month within a year. The amount of tokens withdrawn each time cannot exceed 5% of the total fundraising amount; it is also possible to set the proportion of the expected milestone event time node, such as 30% of the fundraising amount issued on the testnet;

- Agree on the time range within which investors can withdraw their

tokens, for example, all investment quotas can be withdrawn before the fundraising deadline, and 50% of the investment amount can be withdrawn within six months after the fundraising ends;

The HTIMO agreement provides a complete basic framework for the project party and the investor to negotiate and formulate fund-raising rules, withdrawal rules, withdrawal rules, etc. suitable for the project itself.

- DAO

In the future, Mdex will be fully governed by the community. Through DAO, MDX holders can vote on key issues including economic models, parameter settings, and functional improvements and changes through the Mdex improvement proposal and Mdex parameter modification proposal. Voters participating in governance will receive MDX.

3．Token Issuance

3.1 Basic Information

**Name**：MDX（Mdex Token）

Total supply：1 billion (1,000,000,000)

Block cycle：Consistent with Ethereum (based on its smart contract operation)

Initial reward：3858 tokens per block

Halving cycle： every 15 days

3.2 Token Economics

The total supply of MDX is about 1 billion, of which 10% is used for mining before the migration of Heco, the remaining 90% is used for mining after the migration, and 10% of total mining part is allocated to the team for project construction and market Promotion etc.

10% Before migration

90% After migration
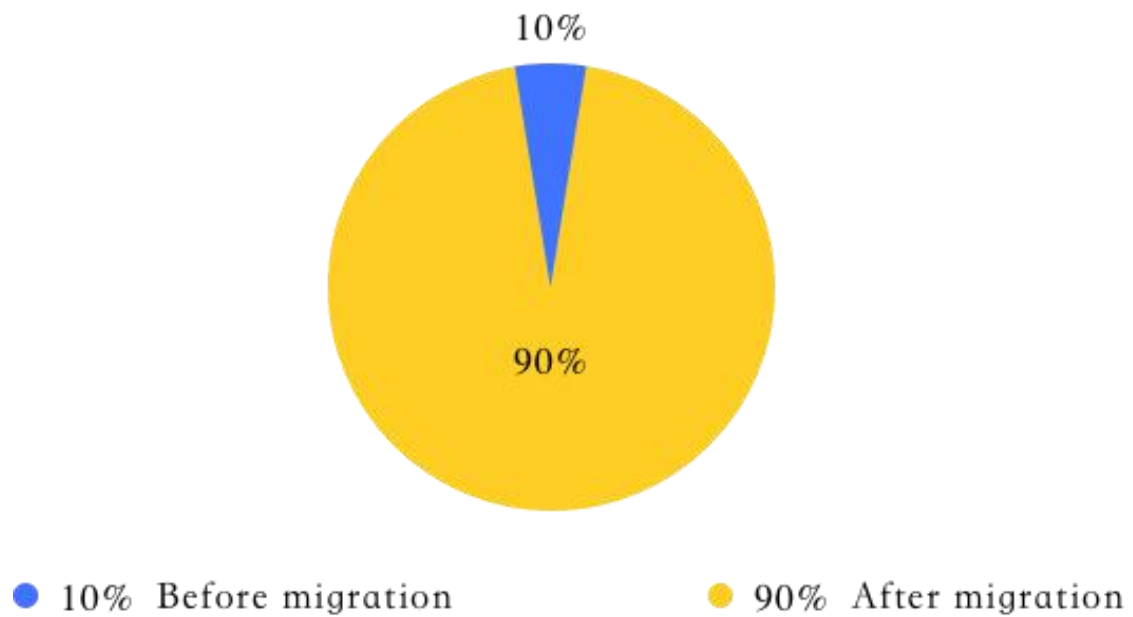
Mdex conducts mining halving every 15 days. When the mining output ends, the community will determine the proportion of transaction fees and continue to maintain the normal operation of the system.
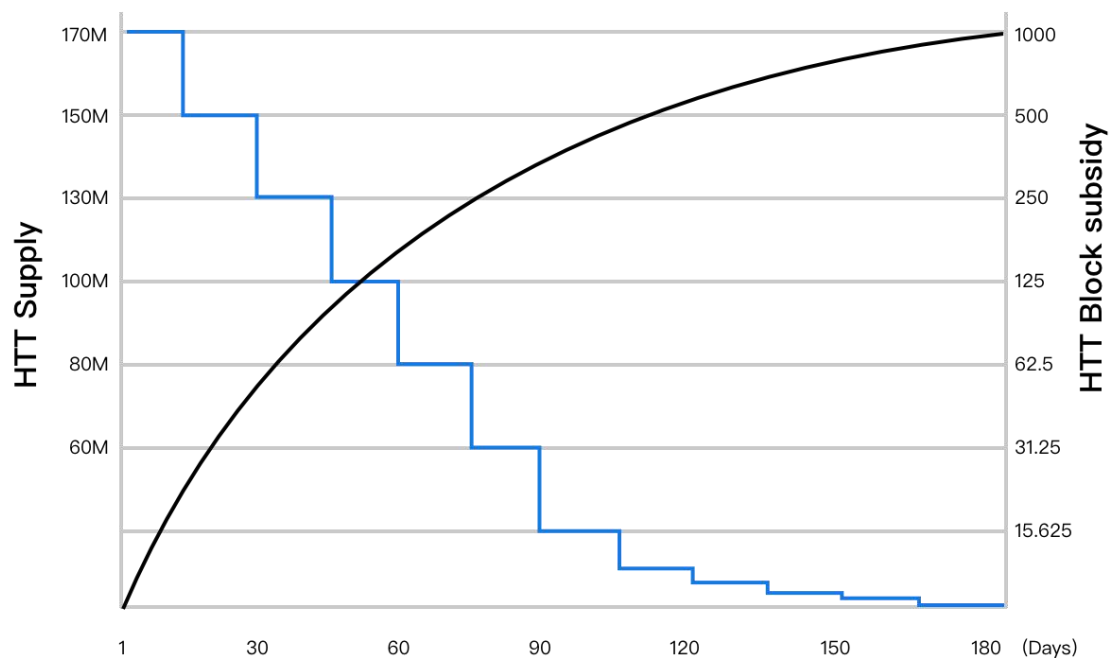
3.2.1 Liquidity Mining

Liquidity mining is divided into two methods: Mdex platform's own DEX before LP migration and after LP migration.

Before LP migration, liquidity mining implements a whitelist mechanism, that is, mainstream active currencies, such as MDX/ETH, MDX/USDT, ETH/USDT, UNI/ETH, SUSHI/ETH, ETH/USDT, etc. Mdex rewards based on the transaction pool, which means that the tokens generated by each new block will be distributed to all transaction pools. The platform allocates an initial ratio for each trading pool, and the adjustment of the ratio will be decided and processed by the DAO community based on market conditions.

For Mdex platform's own DEX, LP will add its tokens to the liquidity pool and will receive BLP tokens (Mdex Liquidity Provider tokens) at the same time. For example, if a user deposits MDX and HT into the pool, they will receive a reward for equating MDX-MDX HLP tokens. These tokens represent a proportional share of the assets in the pool, allowing users to withdraw their funds at any time.

The advantages of liquid mining as the following:

1. For liquidity providers, in addition to rewarding them with transaction

fees, Mdex also rewards 90% of the mining output. This powerful incentive will also stimulate them to actively increase liquidity;

2. The project party has completely zero pre-mining, and the initial holdings are all zero;

3. Liquidity mining whitelist, future DAO community governance.

3.3 Extended Value

MDX can be used to carry out Mdex community governance and make decisions on major events in the community. For example, voting to determine the proportion of transaction fees, deliberation of other important regulations, and the decision to achieve deflation on the regular repurchase and destruction of tokens, etc.

MDX is also the standard fundraising token used by HT-IMO, a decentralized fundraising protocol based on the Mdex platform. Similar to the ICO of ETH on the Ethereum platform, its value will be more embodied as IMO is widely used. And promotion.

4．Operating Plan

4.1 Migration Steps

Uniswap LP migration	LP migration	Mdex
Step 1	Step 2	Step 3
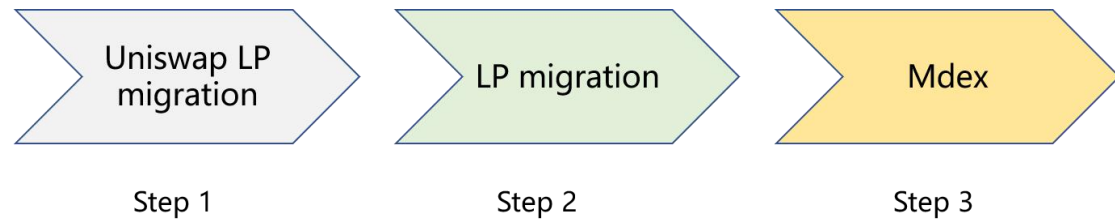
The whole is divided into 3 stages. Among them, the first and second stages are the migration process. The main purpose is to attract Ethereum users and traffic to Huobi ECO Chain to provide initial users and activity.

In the first stage, we provide convenient tools and automated means to help LP migrate and mortgage its LP certificate (Liquidity Token) on Uniswap to Mdex, so that LP can enjoy the "double mining" bonus.

Dual mining is a mechanism that allows different cryptocurrencies with the same algorithm to be mined at the same time, that is, two or more tokens can be rewarded by mining at a time. For the LP on Uniswap, its existing income on Uniswap remains unchanged, and at the same time, it can also obtain the liquidity reward of Mdex, which is MDX. For the LP on Uniswap, the interest rate of the liquidity reward it receives is extremely

low, that is, it is aware of the appreciation space and expected return rate of the LP certificate held, and the MDX obtained by mortgage to Mdex benefits from the Huobi ECO Chain ecology The huge growth of the circle, its return rate is different from Uniswap's existing LP certificate.

In the second stage, we will continue to migrate the LP of Sushiswap platform to Mdex platform.

After completing the migration of the above three platforms, we have completed the main tasks of the second phase, that is, completed the migration of Uniswap, Sushiswap. In the future, we will encourage more LPs on other platforms on Ethereum to migrate to the Mdex platform to share more and greater benefits.

The third stage is to build Mdex's own DEX, which not only has all the functions of the same DEX on the Ethereum platform, but also has more powerful and professional features. After Mdex's DEX goes online, it continues to support liquidity mining. For transactions, a 0.25% handling fee will be charged for each transaction, which will be used as income from the Mdex platform to repurchase MDX. The platform encourages transactions, and greater transaction activity can ultimately create more and greater value for users, and at the same time bring user clustering

effects and ecological prosperity.

4.2 Migration Mapping

LP pledged its Liquidity Provider tokens on the original platform to the Mdex platform's contract on the Ethereum chain. Before the migration, the liquidity reward it received was the MDX ERC20 token on the Ethereum chain. After the migration, Mdex The platform will do a MDX token mapping from Ethereum to Huobi ECO Chain, and LP can continue mining on the new contract on Huobi ECO Chain and obtain liquidity rewards.

4.3 Migration Fluctuation

There will be some differences in the prices of LP token pools on different platforms. After migrating to the Mdex platform, there will be some price changes, which will affect the liquidity ratio of LP, and in turn affect the total value of tokens held by LP. For example, 1 ETH = 335.6 USDT on Uniswap and 1 ETH = 337 USDT on Sushiswap. After migrating to the Mdex platform, there will be some fluctuations and changes in the exchange ratio of the two in the trading pool {ETH/USDT}, that is, after the migration The K value will have some changes.

4.4 Pool Incentive

For the migrated LP, a virtual trading pool (virtual pool) is formed

according to the different token pairs, such as MDX/ETH, MDX/USDT, ETH/USDT, UNI/ETH, SUSHI/ETH, ETH/USDT, etc., Mdex rewards based on the transaction pool, which means that the tokens generated by each new block will be distributed to all transaction pools. The platform allocates an initial ratio for each trading pool. After the migration is completed, the distribution weight of each pool will be decided and processed by the DAO community through voting.

4.5 Dual Mining

Huobi ECO Chain is significantly better than Ethereum in terms of transaction fees, transaction speed, and scalability. It is particularly important for applications that require high-frequency trading operations such as games. At the same time, the following advanced features also provide application infrastructure for games and other DApp applications, including oracles, stablecoins and various wallet applications.

After all the migration work is completed, transaction mining will be started on Huobi ECO Chain, forming Mdex's dual mining mechanism with liquid mining. Transaction mining and liquidity mining are rewarded according to the transaction pool, with an initial proportion of 50% each. The subsequent adjustment of the proportion is decided by the community vote.

To sum up, our mining ideas and mechanisms can be summarized into three "mining areas":

1: The LP of the Sushiswap platform is mortgaged to Mdex, and then we mortgage it to the Sushiswap platform. Users can obtain both the LP token and MDX of the Sushiswap platform at the same time;

2: The LP of the Uniswap platform is mortgaged to Mdex, and users can obtain MDX;

3: Single currency token area, such as HT, mortgage it to Mdex, users can get MDX.

4.6 Fundraising Platform

Traditional fund-raising methods, such as ICO, are actually more focused on solving the financing difficulties of the project party, but they lack sufficient protection for investors, and there is no effective supervision on the use of funds for the project party.

In order to return to the original foundation of blockchain project financing, to better meet and connect with the needs of project parties and investors, the decentralized financing model is taking advantage of the blockchain platform, combined with DAO, based on the Huobi ECO Chain and Mdex platforms, we Develop a decentralized fundraising platform

protocol-HTIMO (Initial Mdex Offering), using MDX as the standard fundraising token of the HTIMO protocol.

5．Ecosystem

The Mdex ecosystem is mainly composed of three types of users: liquidity providers (LP), traders (trader), and developers (developer). LP injects tokens into the trading pool and obtains platform currency incentives; traders use one token to exchange for another token in the trading pool, and the platform charges a certain percentage of transaction fees to reward LP; the developer develops Mdex The contract is continuously improved to provide richer and more powerful functions, including supporting more trading currencies, developing more trading interfaces, and providing a more friendly trading experience.
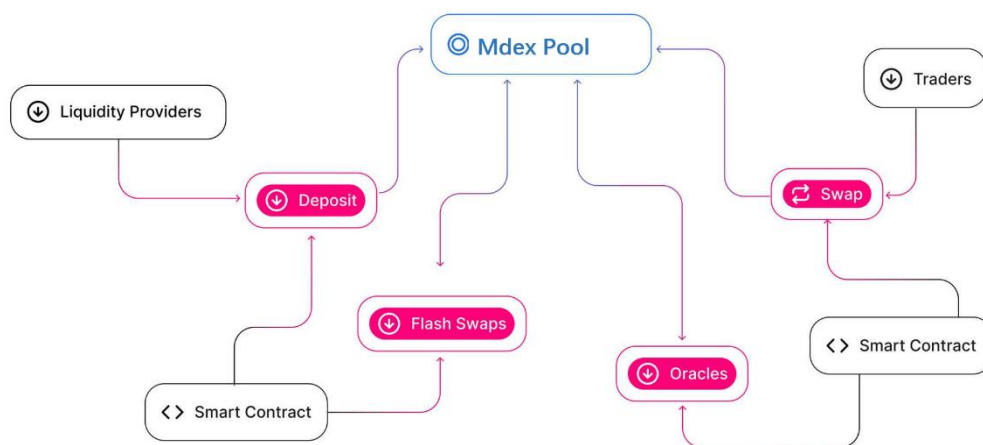
5.1 Liquidity Provider

LPs are mainly divided into two categories. Passive LPs (passive LPs) hold tokens. Most individual and amateur investors fall into this category.

They have no clear investment orientation and strategy, but passively follow the market trend, and the main income is the source. Based on the transaction fees obtained; professional P (professional LPs) focus on professional market making, usually with their own specialized trading tools and strategies, and track multiple different DeFi projects in the market.

5.2 Trader

Traders are usually divided into four categories: professional investors/speculators (Speculators), arbitrage bots (Arbitrage bots), DApp users, and smart contracts.

Speculators use different trading tools and products to find liquid trading and arbitrage opportunities through the Mdex protocol; arbitrage robots obtain marginal profits by comparing prices between different platforms; DApp users buy and sell tokens on the Mdex platform It can be used for different DApps, such as payment, or other purposes; smart contracts customizable contract scripts or DEX aggregate products, relying on Mdex platform for transactions.

5.3 Developer

Developing various trading tools and auxiliary tools for various users of

the platform to more friendly and securely access various functions of the

Mdex platform. Wallets are an important entry point.

6．Governance

Mdex encourages community members to actively participate in the platform's DeFi ecosystem. MDX is the governance token of the project, and MDX holders can participate in project governance through DAO. As the initiator of the project, the Mdex team will contribute resources at the beginning of the project and set initial parameters for the project to assist in the start-up and long-term stable operation of the project.

6.1 Scope

MDX holders can govern Mdex, including but not limited to: economic models, parameter settings, and key issues such as functional improvements and changes. Anyone can become a holder of MDX and work with the community to build a future smart economy DeFi ecosystem. Anyone can make a proposal on the Mdex governance page, and MDX holders have the right to vote on the proposal.

6.2 Transition

With the launch of DAO, Mdex's governance rights will eventually transition from the Mdex initial team to the hands of the community. MDX holders are the main stakeholders of the Mdex project.

7．Technical Highlights

7.1 LP Token Migration

Atomic transactions can be achieved between Huobi ECO Chain and EVM compatible networks such as Ethereum directly. Huobi ECO Chain includes built-in cross-chain communication and transfer protocols, tokens can achieve smooth and seamless two-way transfer between them, without any third-party support.

Based on the cross-chain communication protocol between Huobi ECO Chain and Ethereum, the Mdex platform helps users to migrate LP token assets on Ethereum to Huobi ECO Chain with one click.

Transfer your LP ERC20 tokens to Mdex

Enter the address of your LP tokens (ERC20)
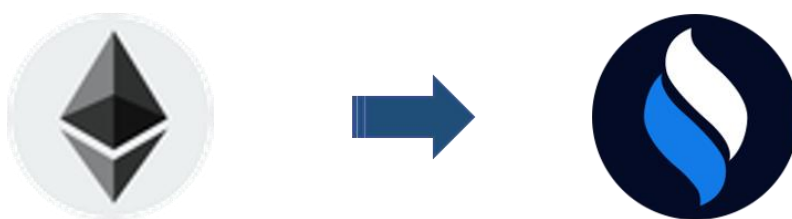
7.2 Add Liquidity

In order to simplify user operations, the platform will automatically deposit a corresponding proportion of tokens according to the current reserve

ratio of the platform's trading pool. LP sets the address of the token pair, the maximum depositable quantity and ratio, the expiration time of the operation, and after the operation is successful, it returns the number of token pairs actually deposited, and the reward of the platform currency, which is the number of MDX. Inappropriate deposit ratio will create arbitrage opportunities for other users. For example, the ratio of tokens x:y in the trading pool is 10:2, and the ratio of tokens deposited by a certain LP is 5:2. After depositing, the price changes from 5 to 3.75, and an arbitrage window appears.

For the scenario where LP transfers tokens from Ethereum to Huobi ECO Chain and then purchases liquidity for transfer, for example, if 100 ETH is transferred to Huobi ECO Chain, the 100 ETH needs to be transferred to the ETH<->HT transaction pool, The platform will calculate the proportion of {ETH,HT} that LP's 100 ETH needs to be split according to the current proportion of the current trading pool. LP will buy a corresponding proportion of HT according to the recommended reference value of the platform, and then use the addition Liquidity function for deposit.

7.3 Mdex Protocol

The Mdex protocol is an automated mobile transaction protocol that runs on the Huobi ECO Chain and uses Ethereum-compatible smart contracts.

No intermediary is required in the transaction process, completely decentralized, anti-censorship and high security. Each Mdex smart contract manages a liquidity trading pool composed of 2 ERC20 protocol tokens.

Anyone can become a liquidity provider by depositing a pair of tokens in the trading pool, and get the token incentives of the trading pool, which is MDX.
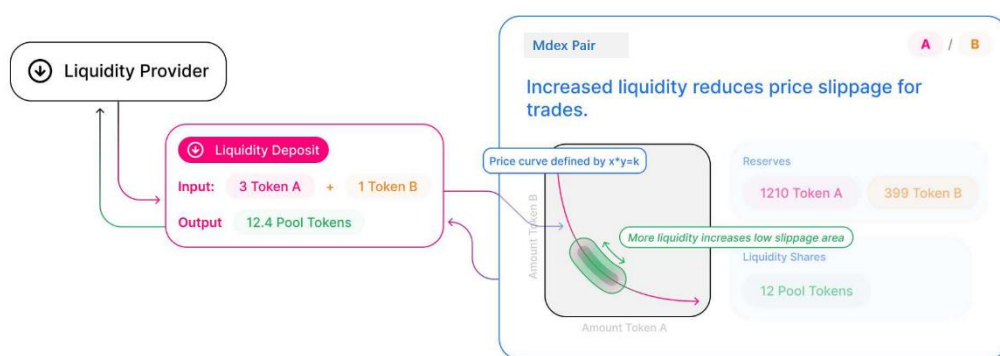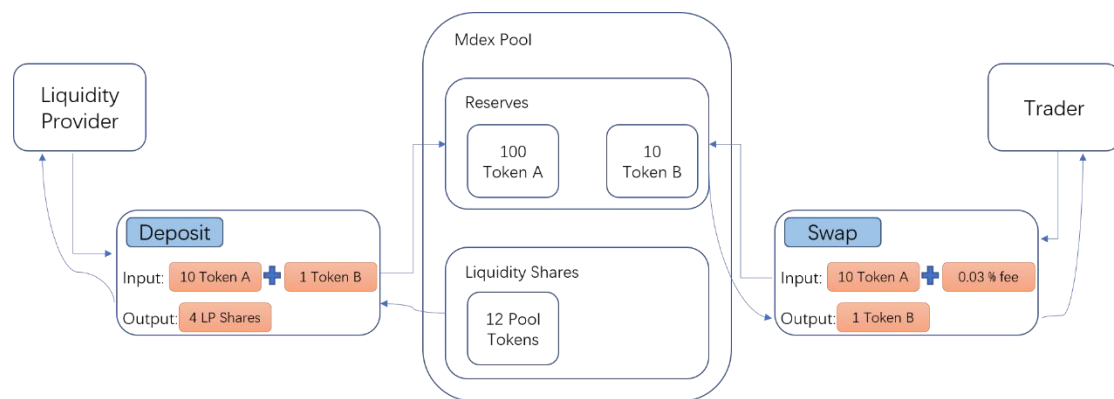

For traders, sell one token to get another token of equivalent value. The sold tokens are deposited in the trading pool, and the obtained tokens are transferred from the trading pool. The platform agreement automatically

calculates the number of tokens bought by the trader based on the tokens sold. When the trading pool contract is established, the initial value of the token balance is 0. In order to be able to trade, the initial token pair needs to be injected into the pool. The price of the token in the trading pool depends on the number of token pairs deposited by the first LP. The platform protocol encourages LP to have equivalent token pairs. If the first LP deposits a token pair of unequal value, it creates an arbitrage opportunity and is exploited by external investors to make a profit. This is unfair and unnecessary for both the LP and the trading pool.

For subsequent LPs, the number of token pairs matching the current price in the pool must also be deposited, otherwise it will create arbitrage opportunities. If the LP believes that the price in the current pool has been distorted, it can continue arbitrage until it reaches the desired price level, and add liquidity again at this price level.

When liquidity is injected into the trading pool, a certain amount of liquidity tokens, that is, platform token MDX is mined and deposited in the address of LP as a reward. The amount of MDX mined depends on the amount of liquidity injected. The amount of MDX held by LP represents the contribution of LP to the liquidity of the trading pool. When a transaction occurs, the commission is proportionally incentive to all LPs in
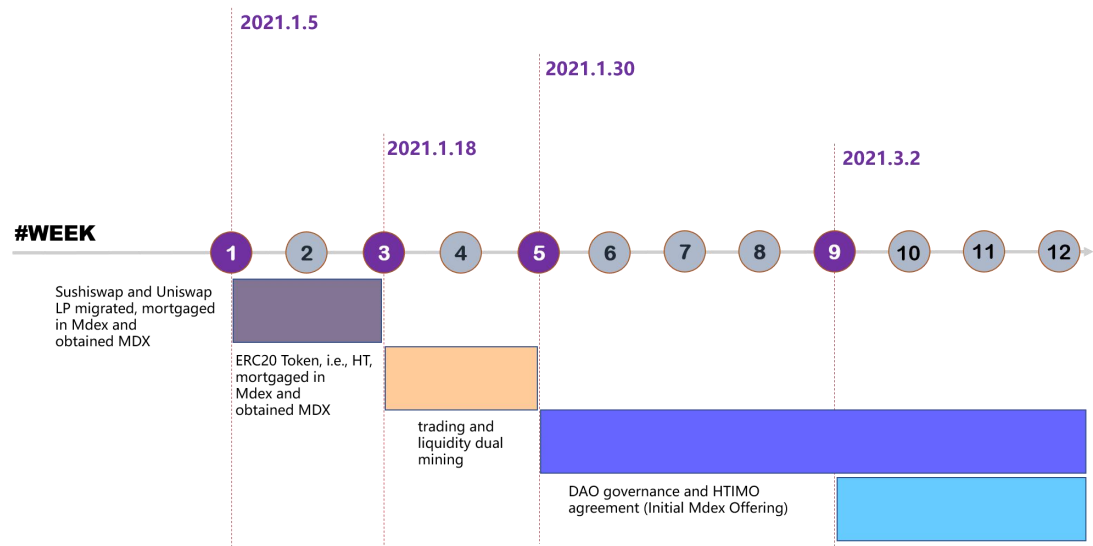
the pool at the time of the transaction.
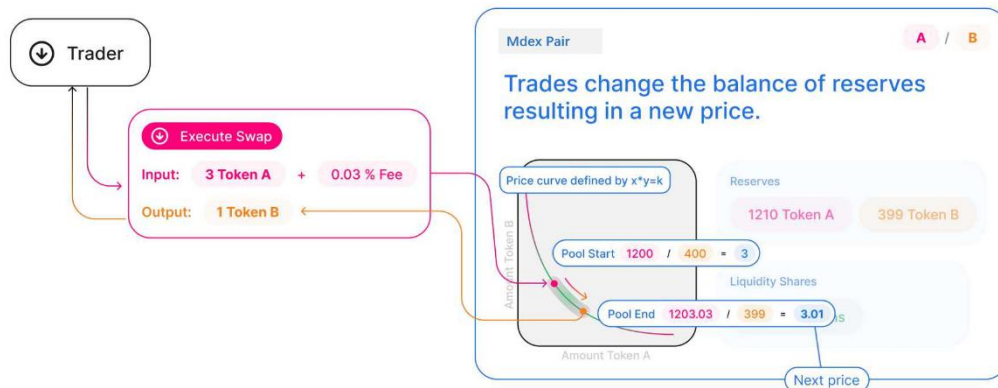
7.4 Other Features

Mdex v1 version provides basic trading functions. In the subsequent v2 version, we will provide more advanced and professional trading features, including Multi-Asset Liquidity Pool (Multi-Asset Liquidity Pool), which is a trading pool There are more than 2 tokens available for trading, in addition to liquidity as Collateral (Liquidity as Collateral).

8．Roadmap

#WEEK

2021.1.5

2021.1.18

2021.1.30

2021.3.2

1 2 3 4 5 6 7 8 9 10 11 12

Sushiswap and Uniswap LP migrated, mortgaged in Mdex and obtained MDX

ERC20 Token, i.e., HT, mortgaged in Mdex and obtained MDX

trading and liquidity dual mining

DAO governance and HTIMO agreement (Initial Mdex Offering)

9. Future Vision

Mdex is a highly innovative DeFi project that combines the advantages of the current DEX on the market and combines the characteristics of the centralized exchange platform currency. Based on the rapid development and ecological prosperity of Huobi ECO Chain, it has great imagination and space. growing space.

Mdex aims to lay the foundation for the acceleration of Huobi ECO Chain's DeFi ecological construction, and also looks forward to working with the community to build a more prosperous DeFi ecosystem for Huobi ECO Chain. Starting from DEX, we look forward to realizing the unlimited potential of DeFi in the fields of lending, insurance, and asset management.

The design and implementation of the Mdex project is also continuously improving, including how to attract more external assets and innovating more DeFi business models are the directions we are studying. All community members are welcome to actively participate in and continuously optimize the Mdex project.