Centralized Exchange Token's Liquidity Token

October 2020

Decentralized exchanges(DEXs) experienced a record-breaking volume, surpassed $4 billion in July, 2020. On the contrary, many centralized exchanges (CEXs) are losing their trading volume. Therefore, their native tokens issued by many centralized exchanges are losing their utility and trading volume is also slowly dying. We act as the On-chain bridging these decentralized exchanges with the centralized ones, in addition to trying to expand the Defi ecosystem by providing an integrated, complex financial ecosystem.

Contents

1 Introduction

While the move towards DEXs has created lucrative opportunities for all, it has also made it harder for CEXs to make a profit from the volume. In particular, CEXs' native tokens have become increasingly obsolete due to reduced trading volume and user demand. Here, our Centralized Token's Liquidity team seeks to act as a bridge connecting native tokens with the decentralized exchange through our snap-shot program and Stake-snap app.

First, CLT(Centralized Exchange token's Liquidity Token) token is generated through Liquidity Mining. There is absolutely no pre-sale or private sale, and it is distributed only through Liquidity Mining with CEX Native Token.

2 Background

1. Liquidity Mining : Liquidity mining is a community-based, data-driven approach to marketmaking, in which a token issuer can reward a pool of miners to provide liquidity for their token.

2. Decentralization of User's Wallet : As the number of tokens participating in the Liquidity pool and the number of users increase, the higher volume of distributions of tokens are expected on the market.
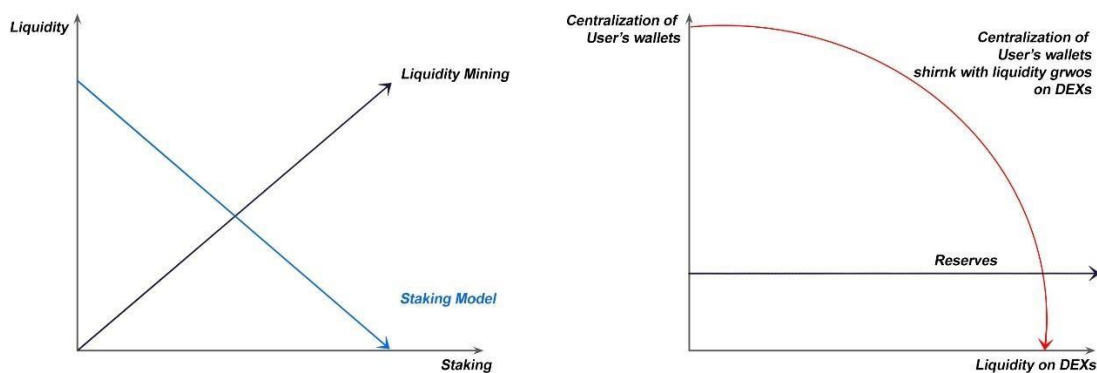

Figure-1, Analysis of Market Impact with Increased Liquidity

2.1 Section 1. Liquidity Mining

The Liquidity Mining, which we refer to, is the Liquidity Pool of Uniswap among the various DEXs. Uniswap pays itself for the liquidity provider and pays a separate Uni-v2 token. This mechanism will be explained in the Content 3, and the following is a description of the primary Liquidity mining.

You earn rewards by adding liquidity that maintains orders on DEXs order books. How much reward you earn depends on:

The amount of your 'add liquidity' tokens.
The percentage you provided of the total supplied liquidity.

2.2 Section 2. Decentralization of User's Wallet

The increase in the Liquidity Pool size in DEXs, unlike CEXs, does not affect the current market price of tokens, making it easier for more people to purchase tokens from the DEX. The sell orders and the buy orders are not twoway interactions, but the Buy and Sell are affected by the liquidity and the price API. Therefore, as users add more liquidity, more people can buy the token, leading to a higher number of wallets and decentralization.

2.3 Conclusion

In this era of decentralization, we want to provide liquidity to token on centralized exchanges. Besides, they will create new staking and token models with their liquidity supply through economies of scale resulting from pool sharing. The following is a brief description of Economies of scales.
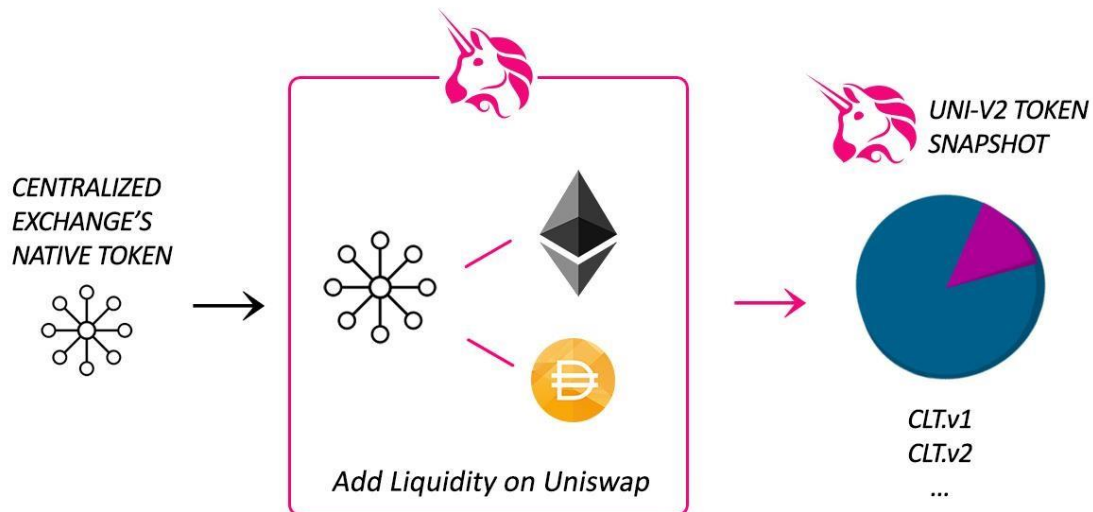

Figure-2, Example of Liquidity mechanism on CLT

3 The mechanism of Liquidity Mining on Uniswap

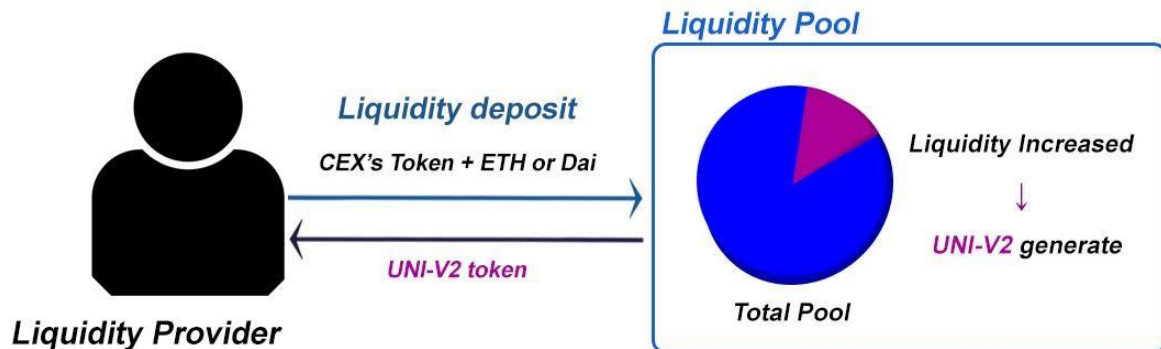In this section, we present how liquidity mining on Uniswap works.

Figure-3, Liquidity Pool's description

Uniswap[1] is a fully decentralized on-chain protocol for token exchange on Ethereum that uses liquidity pools instead of order books. Anyone can quickly swap between ETH and any ERC20 token or earn fees by supplying any liquidity. And anyone can create a market (i.e., liquidity pool) by providing an equal value of ETH and an ERC20 token. All liquidity providers can earn fees through user swap transactions. All price is 0.3% per transaction, and all cost is passed to the liquidity provider in proportion to the pool's liquidity share. Liquidity providers can deposit or withdraw tokens from the pool at any time. Except for Fee, Uniswap provides UNI-V2 token to liquidity providers, which is used for Liquidity Mining.

The following is a detailed description of Liquidity Mining.

3.1 Step 1 : Add CEX's token Liquidity

• Add Liquidity

1. Transfer centralization exchange's token to a decentralized wallet; such as Metamask.
2. Connect the wallet to Uniswap.
3. Click **add liquidity** to provide liquidity.;
4. Depending on the amount of liquidity provided, you will receive UNI-V2 tokens, representing the tokens you have provided to the pool.

3.2 Step 2 : Stake your UNI-V2 tokens

• Stake UNI-V2 tokens

1. Visit the CLT Staking app page, a service that will be created in the future; scheduled to open in midSeptember.
2. Enter the number of UNI-V2 tokens you want to stake.
3. If a certain period is met, you can claim the CLT token.

3.3   Step 3 : Wait for the distribution

• Distribution

1. CLT will be distributed based on each liquidity provider's percentage of the total UNI staked in staking webapp.

2. Token payouts will be announced before TGE and can be received on the web-app.

4   Token Distribution

• Distribution

Token Ticker : CLT
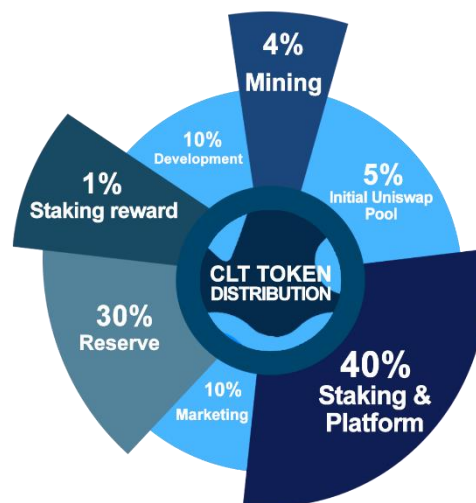
Staking & Platform : 40%

Reserve : 30%

Development : 10%

Marketing : 10%

Initial Uniswap Pool : 5%

Mining : 4%

Staking Reward : 1%

• Initial circulation of CLT tokens

The initial circulating supply is 9% of total supply(Mining for 4% and Initial uniswap pool for 5%) – September

The circulating supply is about to 10%~11% of total supply(Mining for 4%, Initial uniswap pool for 5%, Staking reward for 1% and 1% of Marketing through airdrops) – late of October
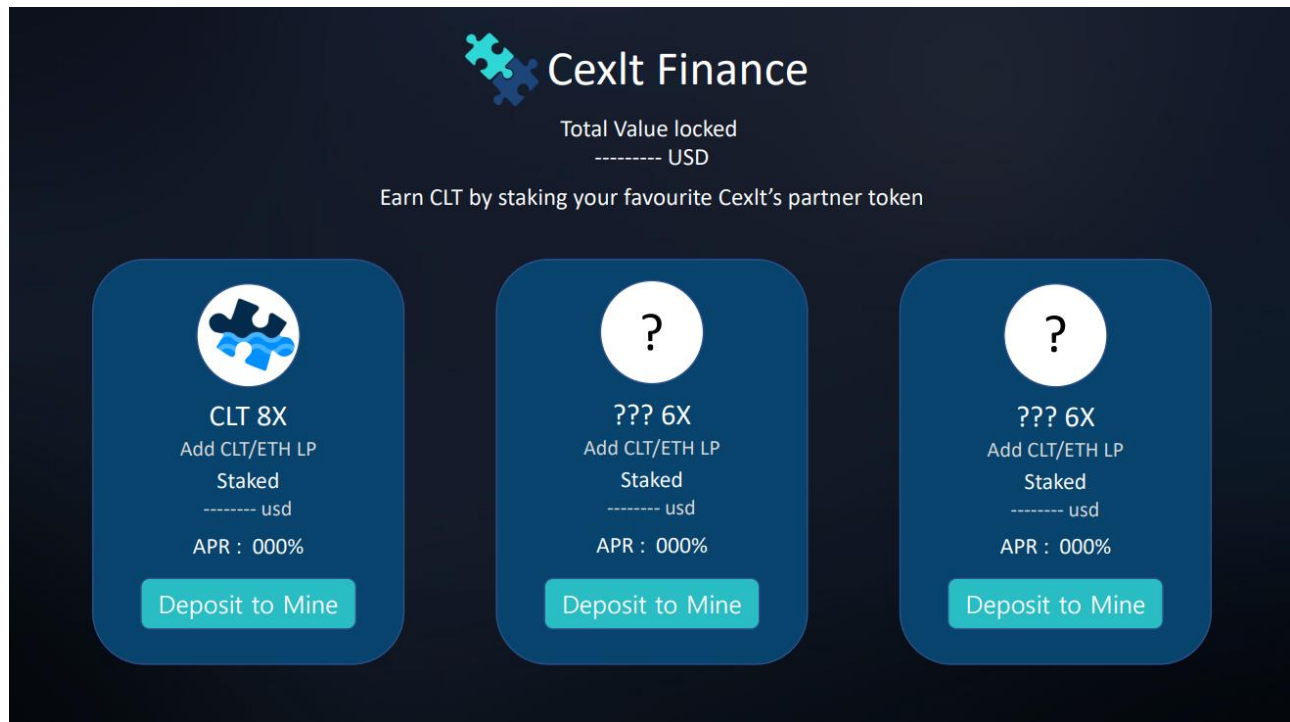
Token contract
https://etherscan.io/address/0xa69f7a10df90c4d6710588bc18ad9bf08081f545

5   Our Dapp

• Staking Web App

– Provides Web App to stake native tokens from CEX's.

– Functions; lock-up, compensation and snapshot

- Finance Farming Platform

    – Support projects who want to initial offerings their token through Finance Farming, not an IEO or ICO.
    – 40% of the token distribution(Staking&reward supplies) will be paid through Finance Farming.
    – The Farming token used here is the LP Token of the CEX's native token or our partner's token.

6   Roadmap

7   Investment and Partnership

Except for the strategic partnership, all private sales were not conducted.

8   Disclaimer

CLT is a cryptocurrency that potentially has high risk and may not be suitable for all investors. Nature, complexity, financial position, and any risks inherent in cryptocurrency trading must be considered when purchasing CLT. You should not buy cryptocurrency unless you understand the extent of your exposure to potential loss.

Cryptocurrency exchange rates have exhibited strong volatility to date, and you understand that the extent of exposure to potential loss could extend to your entire cryptocurrency investment.

Many factors outside of the control of Cexlt.io will affect the market price of cryptocurrencies, including, but not limited to, national and international economic, financial, regulatory, political, terrorist, military, and other events, adverse or positive news events and publicity, and generally extreme, uncertain, and volatile market conditions.

Extreme changes in price may occur at any time, resulting in a potential loss of value of your entire investment in cryptocurrencies, complete or partial loss of purchasing power, and difficulty, or a complete inability to sell or exchange your digital currency. CLT team is not responsible for any losses incurred from trading CLT token.

Information provided in this correspondence is intended solely for informational purposes and is obtained from sources believed to be reliable. Information is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted. None of the content published on this site constitutes a recommendation that any cryptocurrency, transaction, or investment strategy is suitable for any specific person.

None of the information providers or their affiliates will advise you personally concerning the nature, potential, value or suitability of any cryptocurrency, portfolio of cryptocurrencies, transaction, investment strategy, or other matter. The products and services presented on this website may only be purchased in jurisdictions in which their marketing and distribution are authorized. CLT team advises all interested parties to check in advance whether they are legally entitled to buy the products and/or services presented on this website.

References

[1] Defi Pulse. What is Uniswap?