

LENDROID REIMAGINES TRADING – BUILDS FASTER, CHEAPER, BETTER DESIGN WITH BLOCKCHAIN TECH

With an increasing number of assets being digitized or ‘blockchainized’, Lendroid offers an alternative model to the entire trading infrastructure – transparent, low risk and low cost, cutting out middlemen and automating enforcement

Singapore, November 1, 2017: For the first time ever, Lendroid, an open protocol on the Ethereum blockchain, brings together decentralized lending, exchange, and margin trading of digital assets on a single platform. The revolutionary design disintermediates traditional roles of exchanges, broker/dealers and clearing houses, and automates the enforcement of agreements.

Vignesh Sundaresan, Founder of Lendroid, says, “We’re very excited. It’s not everyday that you get to reimagine an established, highly complex, financial system.

With ‘smart contracts’ (ironclad, inviolable agreements) on the Ethereum blockchain, we’ve automated enforcement. By creating an incentivized ecosystem, we’ve completely decentralized traditional roles. It feels inevitable that blockchain technology is the foundation for these innovations. We believe the future of fund management is blockchain-based and Lendroid fulfils a vital building block.”

The demand for blockchain-based assets is growing rapidly and with them, the demand for complex financial instruments. On widely used exchanges such as Bitfinex, USD margin funding alone increased from \$14.8 million to \$168.5 million (Oct 2016 to Oct 2017). Amidst a burgeoning digital assets market, the growth of decentralized exchanges like Kyber and Ethfinex, and protocols such as 0x, ‘truly decentralized margin trading’ was the missing piece in a powerful financial model.

The growing trend of Blockchainization of assets is comparable to the digitization of information, with similarly far-reaching implications. It therefore becomes imperative that traditional models – unchanged for decades, middlemen-ridden, inefficient and opaque – make way for something that leverages the technology of the day and operates independently of trust. This is an opportunity to rethink the entire trading infrastructure. An opportunity that Lendroid took.

Using Lendroid, a lender could earn interest with lower risk and friction. Protecting his interests is baked into the protocol; a trader could hold leveraged positions on digital assets in a trust-independent manner, or short an asset. Exchanges can unburden themselves from being custodians of lenders’ and traders’ funds, and can monetize resource-intensive processes like margin account monitoring.

For all the stakeholders involved, the protocol and all transactions on it are transparent, uncomplicated and, thanks to the power of blockchain, fair. The Lendroid Whitepaper provides a more comprehensive understanding of the protocol, including detailed descriptions of the participants and ethical considerations.

Best of Both Worlds

Lendroid's innovation lies in marrying the strengths and doing away with the vulnerabilities of margin trading in both worlds.

Where traditional, geography-bound markets can offer higher liquidity and a wide range of trading instruments including shorting, leveraging or hedging an asset, avenues in digital assets have been limited to holding an asset long. The few digital-asset-based exchanges that offer these instruments operate with low liquidity, hold funds centrally, and the fact that they are unregulated causes palpable reluctance in participation. On the other hand, where the blockchain enables decentralized, transparent protection, every stakeholder in a traditional exchange faces high risk. Moreover, key processes like liquidating collateral could take up to three days on traditional systems; with digital assets, it takes minutes.

With the protocol's tendency to pool liquidity in one place – accessible by everyone on the platform, but not held by any one entity – avenues for digital asset trading are no longer limited. And the absolute security of automating enforcement with blockchain evaporates traditional uncertainties that stem from relationships with stakeholders.

For an increasing number of traditional assets which are being digitized, Lendroid can enable lending against them and trading with them. The protocol is modular, extensible and compatible with decentralized exchanges and protocols like Kyber, 0x, and Ethfinex.

“Originally envisioned as a decentralized lending protocol, some amazing possibilities began to emerge for Lendroid. We believe we have hit upon a trust-independent alternative which is a potential game changer in trading on a global level,” says Vignesh.

About Lendroid

The Lendroid Foundation is a not-for-profit organization headquartered in Singapore, engaged in developing a non-rent-seeking, open protocol for Decentralized Lending and allied financial applications.

Lendroid is founded by Vignesh Sundaresan, a blockchain entrepreneur, open protocol architect, and YCombinator alumnus. He is the co-founder of Bitaccess.

For further information on the organization and our upcoming token generation event, please visit www.lendroid.com