

# WELCOME TO MICROTICK

DeFi Hackathon

# /whois

Mark Jackson: Founder of Microtick

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Founder: Ethereum Denver

(twitter: @seven7hwave)

# Microtick

What is it?

How does it work?

What makes it unique?

Exploring the (in progress) DApp

# So...What is Microtick?



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*It's also a competitive two-sided marketplace for trading short-term options*

*...and it's designed to provide a trustless & free price feed to the entire Cosmos ecosystem*

# Why Cosmos?

## STEP 1: PLANNING YOUR PRISM

### Initial Prism Investment Amount

Maximum Amount 10 ETH

ETH

USD

The amount of collateral required is equal to the investment value of the Prism.

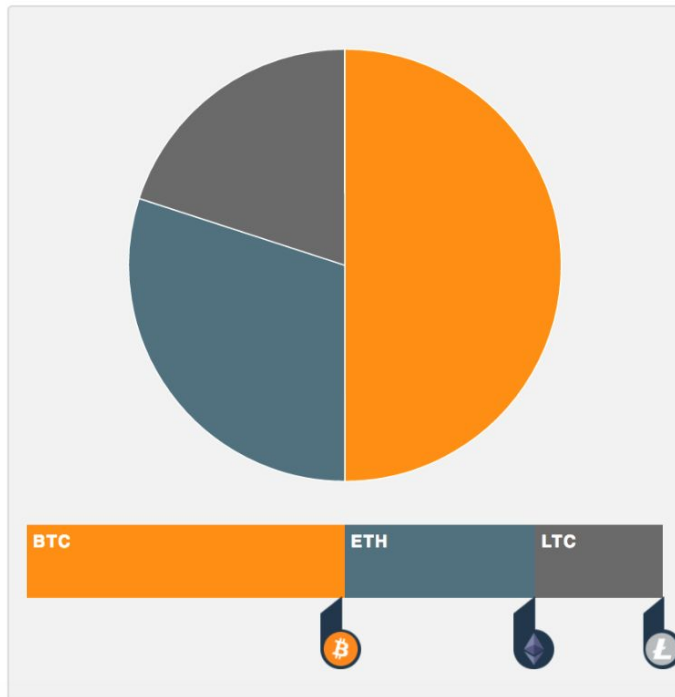
Name Your Prism (optional)

Created By (optional)

Use Pre-built Template

TEMPLATES ▾

ASSET	PERCENT	AMOUNT	USD	ETH
<input checked="" type="checkbox"/> Bitcoin	<input type="text" value="50"/>	0.000309	\$0.60	0.00500
<input checked="" type="checkbox"/> Ethereum	<input type="text" value="30"/>	0.00300	\$0.36	0.00300





# Why Cosmos?

Meets our requirements for fast finality,  
throughput, and chain sovereignty

IBC will provide inter-chain and trustless  
transmission of price information

# Beyond the Bid/Ask

Price discovery is decoupled from the underlying

Price discovery can be achieved for any asset (or almost any real-world condition that can be expressed as a price!)

# How Does it Work?



# A Two-Sided Marketplace

**Market Makers:** Provide assertions about an asset's price and expected volatility over a given timeframe

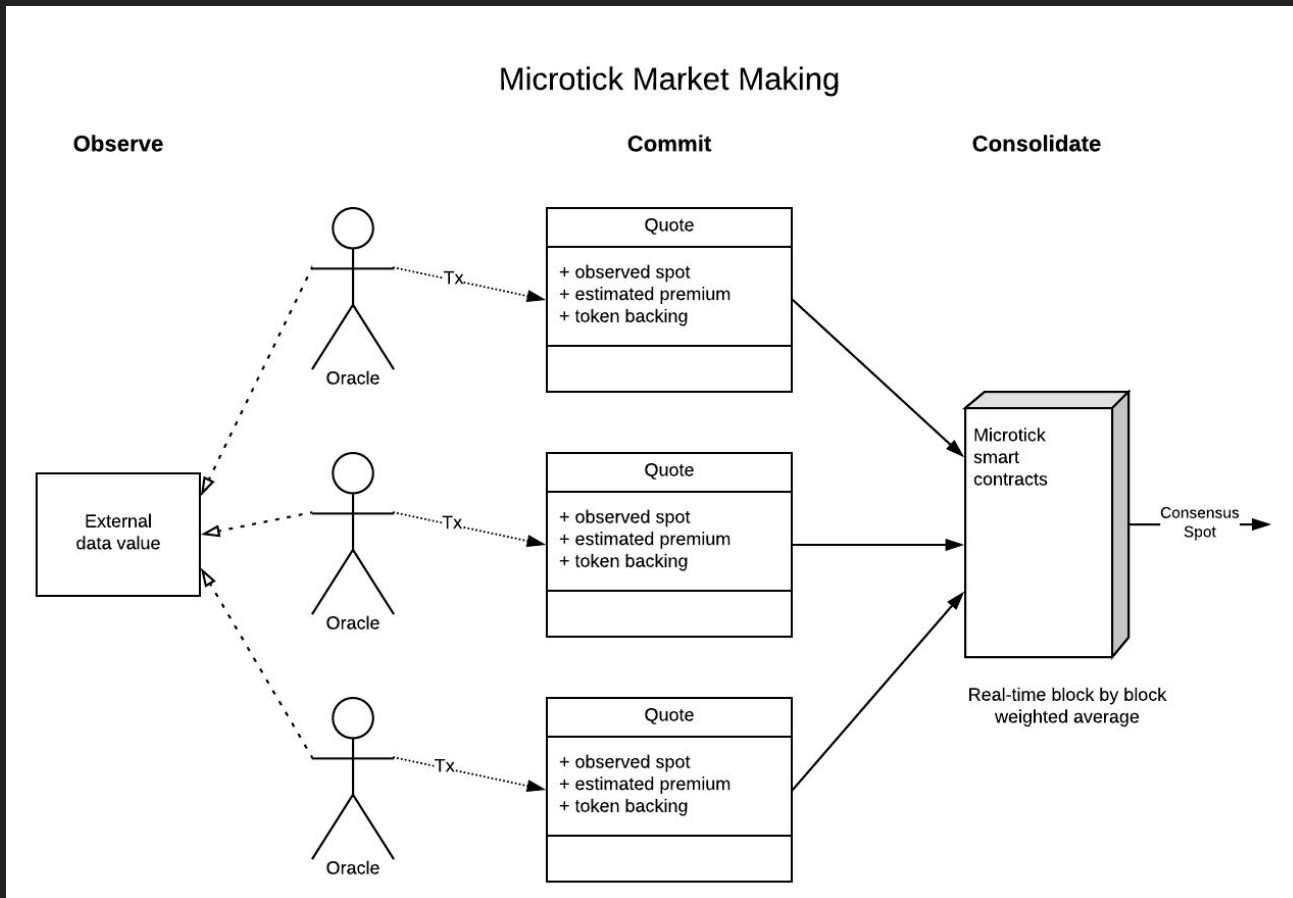
**Traders:** Observe what the market makers are saying about the current price, and trade based on those observations.

# Market Maker Quotes



Quote
+ spot (example: ETH/USD = \$298.50) + premium (example: +/- \$0.50) + backing (example: 10 tokens)
+ calculateQty = backing / premium

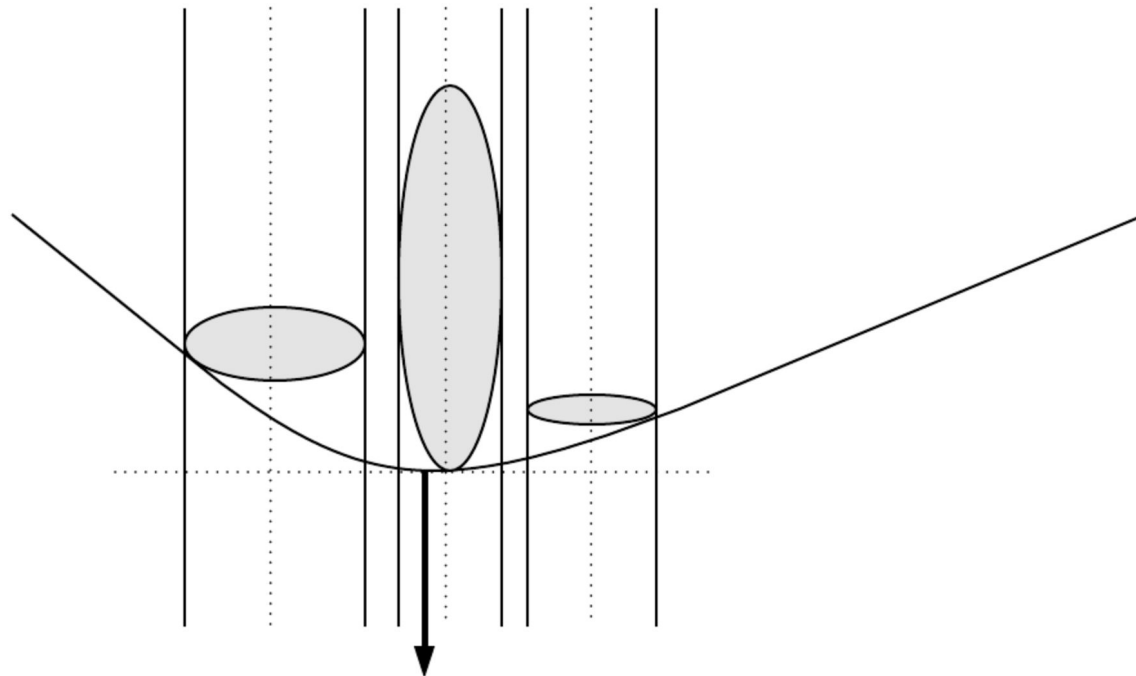
# Market Making Visualized



\$275  
+/- \$2  
10 tokens

\$280  
+/- \$1  
20 tokens

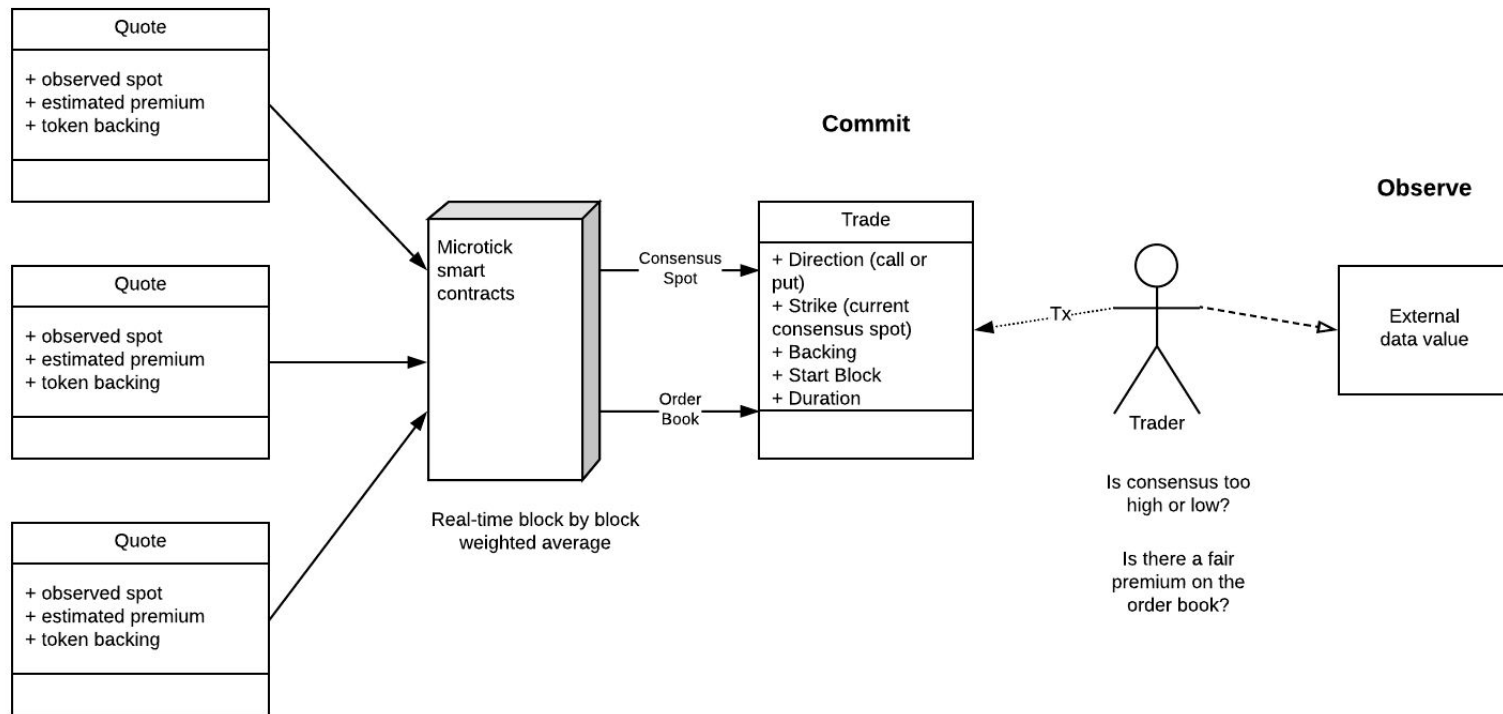
\$282  
+/- \$1.50  
5 tokens



Consensus = \$279.22

# Trading Visualized

## Microtick Trading





# Microtick's Output:



A free price feed...

# Microtick's Output:



A free price feed...that can be hedged

# Fundamental Advantages

- 1.) Decoupling price discovery and trading (thereby discouraging centralization)
- 2.) There's a single price for every block that anyone on the planet can observe, use, and hedge \*
- 3.) Create markets for illiquid assets, NFT's...or almost any real-world asset or condition!

# Risks & Challenges

**The Game Theory:** Does it work at scale?

**Liquidity:** Can we build a critical mass?

**Consensus:** Can we build a secure validator set?

**Regulatory:** Which jurisdictions can host Microtick?

# Wanna learn more?

**Are you a validator or market maker?**

**Are you a DApp developer?**

**What could you do with a free price feed?**

[www.microtick.com](http://www.microtick.com)

Chain Information

Block height = 818135 11:58:50 AM  
Block hash = 4086FEE1EE816917134C4D350BC355D66C9947D902C80837310B3792F251DB83

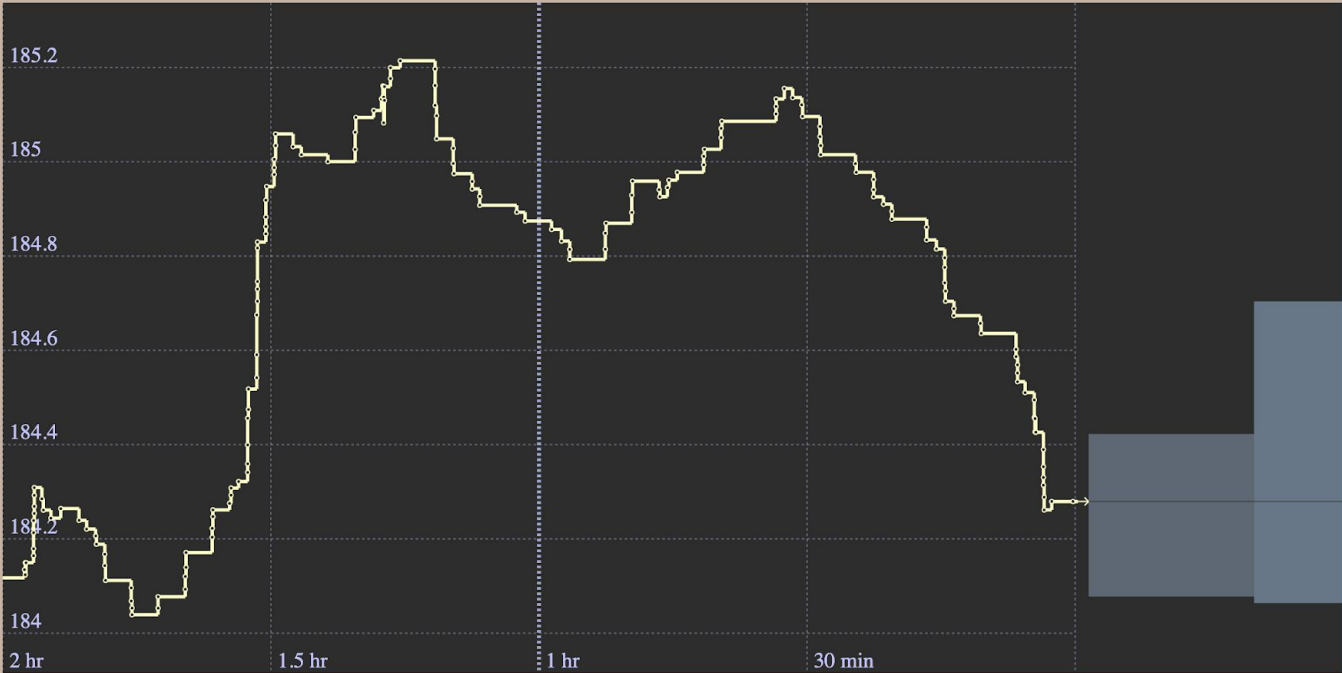
Account Information

Address = cosmos1e8wez12fkw4prqtmzzrqljq73tc7prt2nvsun  
Token balance = 957.701069 fox  
Current account value = **957.701069 fox**

Market

Crypto: Ethereum ETH/USD

5 minute	15 minute	1 hour	4 hour	12 hour
171.3165	91.1966	44.6219	22.311	12.8813



**Consensus = @184.2793**

Mass = 500 fox

Weight = 342.3272

At the current market weight, a quote with backing of 1 fox can move this market 0.0006 (at most)