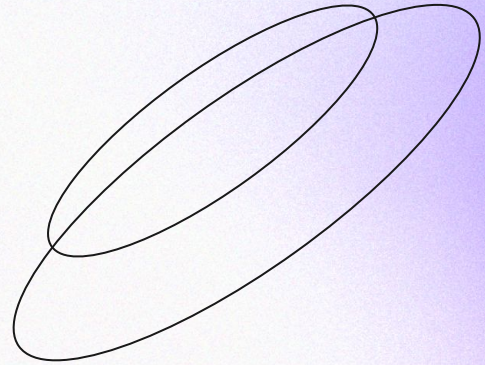

GMX Adaptor for Sommelier



Paving the way for leveraged strategies in perpetual futures...

Charles Ma, Ash Ahmed, Nyle Garg



GMX Overview

- Decentralized perpetual/spot exchange for cryptocurrencies
- Perpetual swaps are non-optional agreements between individuals to buy/sell an asset in the future
 - Enable users to trade assets without having direct exposure to them, not specify a delivery date (can be held indefinitely), and have funds transfer between parties automatically over time
 - Price feeds determine liquidation timing
- Two tokens: GMX (utility token → 30% of platform revenue) and GLP (LP token → 70% of platform revenue)



Advantages of GMX

#1:

Up to **30x leverage** far more than other protocols (10x for Perp) → beyond basic lending strategies

#2:

Very **little capital** required upfront with ability to create highly leveraged positions is highly desirable but rare

#3:

Decentralized nature helps avoid KYC crackdown and maintain high leverage



30x

Truly **massive** leverage creates **massive** opportunity for strategists



Strategy Impacts:

Power of Leverage

30x leverage is truly enormous →
intelligent strategy design can utilize
this to create an absolute windfall even
with minimal upfront capital

Perpetual Benefits

Enabling continuous payment updates
between parties, strategies need not
worry about massive asset price impact
→ opens up new possible strategies

No Expiry

Lack of an expiration date on future
contracts opens up a new realm of
strategy → can dynamically create/exit
position based on real-time
performance



Possible Strategies:

Stake + Hold

- Use our adaptor to **simultaneously acquire and stake** GMX
- Pretty passive strategy given you're bullish on GMX

Leverage Fast

- Oracle feed for **sentiment** surrounding tokens
- Adaptor functions to change position size to get big size on new tokens fast/exit fast



Implementation

- We dived into GMX's documentation to **find functions in and integrate GMX's Routers and Readers** into our adaptor so Sommelier strategists can very simply **make/increase/decrease/close positions, make swaps, simulate swaps, and get information on pools or existing positions.**
- We combed through GMX's codebase (primarily though [here](#)) and **imported relevant contracts into our adapters**
 - Most functionality to execute behavior mentioned above was written in GMX's codebase so a large part of our implementation is **storing instances of deployed contracts and priming strategists with the right inputs to feed into GMX contract calls**
 - Note the extensive parameter and function commenting we included
- We were able to include **most relevant function calls by following GMX's documentation [here](#)**, while leaving out a couple of actions for strategists like minting GLP by sake of prioritization for what might assist most in strategy creation



Thank You!

<https://github.com/golfcmm6/somm-gmx-adaptor>

