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SECTION 1: APPLICANT INFORMATION

Applicant Name or Alias: Huf

Project Name: Pear Protocol

Project Description:

Pear Protocol has built an innovative trading dApp, which is live on Arbitrum Mainnet. Users are able to trade long-short 'pair-trades' e.g. Long \$BTC / short \$ETH with leverage in a seamless, capital efficient, and composable way.

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pear_gmx

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Team Members and Contact Information:

Huf : Founder ([Telegram](#))

11 Years in Trading and Investment Banking. Directly advised CIOs at some of the largest asset Managers and family offices in the world.

Bob: COO ([Telegram](#))

Worked in finance for over 10+ years in London for one of the UK's largest brokerage firms. Extensive management and operations experience having worked and advised multiple companies.

Angel: CTO & Product Lead

Expert in development and design for Web3 startups with a focus on creating DeFi dApps. Many years of experience owning and managing own agency, providing a well-rounded understanding of diverse operational landscapes.

Marvel: Lead Developer

Extensive full stack experience in the crypto space & building projects cutting across DeFi, NFT & Crypto tooling. Skilled in Web2 & Web3 software development with focus in user interface, smart contract development & security.

Project Links:

Website: [Pear.Garden](#)

Twitter: [@pear_protocol](#)

Contact Information:

TG: [Hufhaus](#)

Twitter: [@Hufhaus9](#)

Email: huf@pearprotocol.io

SECTION 2: GRANT INFORMATION

Requested Grant Size: 100k \$ARB

Grant Matching: N/A

Grant Breakdown:

1. Trading Incentives: 100,000 \$ARB

The primary use of the grant will be for trading incentives to incentivise users to make pair trades on our Isolated Margin product. We will distribute these at a rate of \$33k / month for the 3 months once we go live with our fully audited platform (January 2024).

Total: 100,000 \$ARB

Funding Address: 0x88103C9fA3cE4FF45e4C1Ea3688F40d1DfdA6B02

Funding Address Characteristics: Fireblocks MPC Wallet

SECTION 3: GRANT OBJECTIVES AND EXECUTION

Objectives:

- Pear Protocol is the first and only pair trading platform on-chain, where users can long one asset and short another simultaneously (e.g. SOL/ETH). We have currently built on top of the GMX v1 (since June 2023) contracts and are in closed beta on Arbitrum Mainnet. The data and analytics for the closed beta is available here:

flipsidecrypto.xyz

[Pear Protocol Beta Testing v0.5 | Flipside](https://beta.pear.garden/)

<https://beta.pear.garden/>

- We intend to migrate our smart contracts to GMX v2 since the majority of liquidity will be housed in those GM pools. The intention is for users to have access to deep liquidity and as many assets as possible in a truly decentralised and permissionless manner.
- The ideal partnership looks like this - a narrative is starting to form (say long \$DOGE), and they think it will outperform something like \$BTC. Users can come to Pear Protocol, open a long \$DOGE / short \$BTC (market-neutral) trade, with the liquidity and execution venue being GMX v2.

Key Performance Indicators (KPIs):

- Deliver over \$100mm of traded volume to GMX by March 2024, routed through the v2 GM Pools.
- Bring at least 100 unique new wallets that route their pair trading flow through the v2 GM Pools (e.g. ETH/BTC , SOL/ETH etc).
- Generate at least \$101k in GMX v2 fees, thus making the grant proposal a positive ROI.

How will receiving a grant enable you to foster growth or innovation within the GMX ecosystem?:

We have built a novel use case for GMX, which will diversify its user base and create a dynamic where even if the market is going up, down or sideways we can attract consistent volume to GMX since pair trading works in any market scenario. In particular, we will gather significant volume when there is a narrative to hijack on Twitter (e.g. long \$SOL / short \$ETH), for which we can work with KOLs to drive volumes to our shared smart contracts.

Justification for the size of the grant:

We believe that with sufficient trading incentives (\$100k \$ARB), we can generate a positive ROI for GMX stakeholders.

The calculations below assume a modest \$100m of total traded volume over the next 3 months. The fees generated are based on current GMX v2 fees. The calculations are publicly available here:

[docs.google.com](https://docs.google.com/spreadsheets/d/1FoWHGOEk5st1ZTPmHO7gZH9u0TKWLXq7FhUikK1Wio/edit?usp=sharing)

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](<https://docs.google.com/spreadsheets/d/1FoWHGOEk5st1ZTPmHO7gZH9u0TKWLXq7FhUikK1Wio/edit?usp=sharing>)

[GMX <> Pear fees](#)

grant

Pair,ETH/BTC Collateral,USDC,GMX Borrow Fee (hourly) - v1,Borrow Fee (hourly) - v2 Leverage (x),10,Long,0.00290%,Long,0.00170% Collateral deposited,\$10,000,000,Short,0.0008%,Short,0.0000% Position size,\$100,000,000 Long size...

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grant_v2

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Under these conservative assumptions, this grant proposal would bring \$173,480 to GMX in fees.

Execution Strategy:

\$100,000 - The primary use of the grant will be for trading incentives to incentivise users to make pair trades on our Isolated Margin product. We will distribute these at a rate of \$33k / month for the 3 months once we go live with our fully audited platform (January 2024)

Grant Timeline:

December 15th 2023: work begins to migrate our v1 smart contract to v2

January 8th 2024: full public launch of Pear Protocol with 3 months of incentivised trading

March 8th 2024: KPIs hit and incentive period ends. We can then discuss future collaborations based on the success of this grant proposal.

Fund Streaming: Yes

SECTION 4: PROTOCOL DETAILS

What date did you build on GMX?: We began smart contract work in April 2023, and deployed on September 8th 2024

Protocol Performance:

Closed beta feedback available here.

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[Pear Protocol Beta Testing v0.5 | Flipside](https://beta.pear.garden/)

<https://beta.pear.garden/>

Protocol Roadmap:

Q1 2024: Full public launch of audited Pear Protocol

Q2 2024: Roll out position NFTs, enabling NFTFi

Q3 2024: Achieve \$500m of traded volume

Audit History (if any): We will be working with Sherlock and Code4rena.

SECTION 5: Data and Reporting

Is your team prepared to create Dune Spells and/or Dashboards for your incentive program?: Yes, at present we are building out a Dune Dashboard.

Does your team agree to provide bi-weekly program updates on the GMX Forum thread?: Yes, we are able to provide a high level overview and update on the GMX Forum Thread.

Does your team acknowledge that failure to comply with any of the above requests can result in the halting of the program's funding stream?: Yes, acknowledged.

Please note: Labs and the Grants Committee retain the right to approve, disapprove, or subsequently disqualify any grant from the programs they are administering at their sole discretion.