Summary

Rage Trade's Proposal for dYdX v4 Trading Competition Incentives

[Rage Trade](#) proposes a 6-week ROI-based trading competition on dYdX v4 via its perp aggregator UI. The aim is to boost trading volume and user adoption by leveraging Rage's aggregator.

The proposal requests $250,000 worth of $DYDX from the dYdX Chain Community Treasury for the V4 Trading Competition Incentives. 100% of these funds will be dedicated to supporting user rewards during trading competitions over 6 weeks, with the goal of increasing trading activity and volume on dYdX v4. Trading competitions, preferred over rebates, benefit smaller users via our ROI-based ranking system.

Rage's aggregator, having integrated dYdX v4 on April 23, 2024, makes it the first perp aggregator to adopt this integration. This strategic move guarantees seamless participation in competitions, with a strong emphasis on maximizing ROI and promoting active and strategic trading. This initial round will serve as a validation of the concept and will lay the foundation for future competitions, fostering continued engagement and growth on both platforms.

Implementation Plan:

- Weeks 1-2: Launch competitions, set up leaderboards and dashboards for metric tracking, monitor activity, and announce the initiative.

- Weeks 3-4: Optimize competition structure based on performance and feedback, and provide the first community update.

- Weeks 5-6: Continue incentives and prepare final report.

- Post-6-weeks: Release detailed impact assessment and plan future actions.

Project Links:

1. Website - https://www.rage.trade

2. App - https://www.app.rage.trade

3. Twitter - https://twitter.com/rage_trade

4. Discord - [Rage Trade (Community)](#)

5. Github - [Rage Trade · GitHub](#)

6. Docs - https://docs.rage.trade

Abstract

Rage Trade proposes hosting ROI-based trading competitions on dYdX v4 to boost trading activity and user acquisition. These competitions, inspired by successful initiatives on platforms like GMX v2, aim to provide fair opportunities for traders and drive volume growth.

During the initial round, our goal is to validate our ability to successfully organize trading competitions on dYdX v4, serving as another frontend. Our main objective is to increase trading volume and attract users to dYdX v4 as a direct result of the integration, by leveraging successful strategies such as hosting multiple weekly ROI-based trading competitions, we aim to attract users of all sizes. Upon the success of this phase, we plan to continue organizing competitions and collaborate with the dYdX ecosystem to further enhance the platform

Similar competitions have already proven successful on Rage Trade for GMX v2, achieving record-high daily trading volumes of $8.3m on the competition's launch day (see image below). Days later, we set new records with total daily volumes reaching $10.3 million, $11.6 million, and $12.6 million respectively. The competition, which kicked off on February 28th, 2024, has been running for over 6 weeks. It has already generated a total volume exceeding $90 million on GMX v2 and is still active.

- Competition: [Rage Trade <> GMX v2 Competition](#)

- Stats: [Rage Trade Stats](#)

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Success will primarily be measured by trader volume and users onboarded on dYdX v4.

Currently, we have:

- More than $500 million in volume

- Over 3,000 users onboarded

Source:

- [Rage Trade Stats](#)

- [Rage Trade - Dune Analytics](#)

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cdn.com/standard21/uploads/dydx/original/2X/d/d3398e7b6f59932d05dfa8aaefc33d807531ec8c.png)

Motivation

Project Description:

Rage Trade is a multi-chain perp aggregator that works across all compatible chains (EVM L2s, L1s, AppChains, Cosmos, etc).

We offer a streamlined trading experience, allowing you to select the optimal trade routes to open leverage trades.

With the Rage v2 aggregator, you can enjoy a multi-perp, multi-chain experience with a UI/UX you are historically familiar with.

Our product offers:

- Aggregated liquidity across all perps.

- Best routing: best price, funding rates, cheapest fee, and token rebates.

- Enhanced bridging across multiple chains and assets.

- One referral link across all perp markets.

Team Members and Roles:

- Product Lead - Founder (https://twitter.com/crypto_noodles)

- Fin Dev - Lead Engineer (https://twitter.com/0xDosa)

- Fin Quant - Head of BD (https://twitter.com/0xAthanase)

- Proto Dev - Backend Engineer

- Senior Dev - Solidity Developer

- Success Daniel Ndu - Data Analyst (https://twitter.com/0x_whoisndu)

About Rage Trade:

The Rage Team comprises dedicated teammates led by Noodles, who started talking about perps on Twitter, showing off

how much he knows about DeFi. With that as a starting point, he pulled in some of the best developers. In Rage V1, we introduced exciting vaults such as the 80/20 recycled liquidity Tricrypto vault and the Delta Neutral trader PnL hedged GLP vaults. However, we have now phased out V1 vaults and shifted focus to the Rage V2 Perp Aggregator. Find stats for the deprecated V1 vaults here:

1. [TVL](#)

2. [Volume](#)

3. [Users](#)

We're all about genuine innovation, even without launching a token. This shows how committed we are and that we're ready to make good on everything we've promised in this proposal.

Our team has successfully designed and implemented several incentive programs, including the ROI-based trading competition mentioned earlier, which is currently active. Additionally, we introduced a 12-week fee rebate program, offering an additional 25% on top of the up to 75% open/close fee rebates provided by GMX.

The 100% fee rebate program ran for 12 weeks from Jan 3rd, 2024 to Mar 26th, 2024. During this incentive program, we attracted over 1200+ traders on GMX v2 and volume rose from $3.5m to ~$200m, reaching a weekly all-time high of $26.6m during the 7th trading epoch between 14th February and 20 February.

Source: [GMX Governance Final Report](#)

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Source: [Dune Analytics](#)

What novelty or innovation does your product offer?

Rage Trade v2 presents a trading experience substantially closer to that of centralized alternatives as we offer services like best price routing (similar to centralized prime brokers and aggregators). We also aggregate competitions, incentives, and referrals — making the experience unified like a centralized exchange.

Our novel approach of prioritizing users and their experience along with incentivization has yielded positive results, with more than 3,000 new traders onboarded and over $500 million of volume generated through our integrated markets since our launch barely four months ago.

Source: [Rage Trade V2 Stats](#)

By hosting ROI-based trading competitions, Rage Trade aims to replicate this success on dYdX by offering incentives and rewards to traders, thus fostering a vibrant trading ecosystem on the platform.

Rationale

Hosting trading competitions has proven to be an effective strategy over fee rebate programs for driving trading activity and user engagement based on our experience with GMX v2 on Arbitrum. By leveraging this approach, Rage Trade aims to attract traders to dYdX v4, thereby increasing volume and establishing it as a prominent trading venue. Our focus on competitions stems from their potential to benefit smaller users, notably through our successful ROI-based competition ranking system on GMX v2.

Specification / Implementation / Milestones

This proposal's 6-week implementation is divided into 3 bi-weekly phases:

1. Phase 1 (Week 1-2): Launch trading competitions and public leaderboard, monitor trading activities, set up dashboards or subgraphs for metric tracking, and announce the initiative.

2. Phase 2 (Week 3-4): Monitor platform performance, trader engagement, and community feedback to optimize the competition structure and incentives, and provide the first bi-weekly community update.

3. Phase 3 (Week 5-6): Continue incentivization and finalize the bi-weekly update leading to a comprehensive final report.

4. Post-6-weeks: Release a detailed report evaluating the proposal's positive impact on dYdX v4, with future action considerations

We aim to conduct this initial round of trading competitions to validate our capability in successfully organizing such events on dYdX. This initial phase will serve as a demonstration of our ability to drive trading activity and volume on dYdX v4. We'll analyze the impact of competitions on platform metrics such as trading volume and user growth.

Grant Execution Strategy:

The incentives will primarily be sent to the wallets of winners of the trading competitions.

Only traders trading via the dYdX markets we aggregate will be incentivized. In our trading competition, the playing field is more level as we will use ROI to measure trader success during the competition.

We will follow three simple processes to implement the proposal:

1. Initiate trading competition. Set up subgraphs for metric tracking, and announce the initiative.

2. Regular Updates and Reporting: Monitor and adjust based on platform performance, trader engagement, and community feedback.

3. Review and Analysis: Conduct a thorough post-implementation review to identify improvements and insights for the dYdX ecosystem's growth.

Addressing Wash Trading:

To mitigate potential abuse and ensure the integrity of our incentive system, we have implemented robust anti-abuse measures. These include sophisticated mechanisms to detect and deter wash trading or Sybil-attack-related incidents. Addresses identified as engaging in such activities will be promptly excluded from receiving incentives.

Moreover, participating in our ROI-based trading competitions adds an additional layer of protection against abuse. Since these competitions are based on actual trading performance and return on investment (ROI), individuals must demonstrate genuine trading skills to earn rewards. This further discourages any attempts to manipulate the system for unfair advantage.

Through these measures, Rage Trade is committed to seamlessly integrating dYdX v4, offering unparalleled benefits to traders.

By implementing these proposals, Rage Trade aims to drive significant growth and adoption of dYdX v4, positioning it as a leading decentralized trading platform in the DeFi landscape.

Ask

The proposal seeks $250,000 notional value of $DYDX allocated for the V4 Trading Competition Incentives from the dYdX Chain Community Treasury

The amount allocated to Rage Trade will be directed towards user rewards, primarily incentivizing trading via trader competitions.

Our main objective remains to boost trading activity and increase volume on dYdX v4. Our preference for trading competitions over rebates is due to their potential to significantly benefit smaller users, particularly through our competition ranking system based on ROI.

Upon receiving the funding, we'll organize multiple weekly trading competitions, distributing approximately $41,667 per week, totaling $250,000.

Separately, Rage Trade had also applied for a $75,000 integration grant in $DYDX from the dYdX Ecosystem Development Program (DEP) which, we're pleased to announce, has been approved by the committee. This grant will be paid out in stages upon hitting different milestones. This one-time payment will cover engineering and maintenance costs related to setting up and managing the trading competitions. These expenses are crucial for ensuring smooth operations, platform integrity, and user engagement during the initial phase.

Once this phase is complete and dYdX establishes a referral program, these operating expenses will no longer be needed. The referral program will allow us to generate revenue through trading fees from the order flow directed to dYdX, ensuring long-term sustainability and profitability.

This initial funding request and budget breakdown reflect our commitment to demonstrating the effectiveness of trading

competitions as a means of driving trading activity and volume on dYdX v4, paving the way for future collaborations with the foundation.