

SECTION 1: APPLICANT INFORMATION

Applicant Name or Alias:

VolumeFi Software Inc

Project Name:

Paloma <> GMX Short Funding bot

Project Description:

The GMX short funding bot is aimed to generate yield via funding short futures positions on GMX while keeping the overall position delta-neutral to reduce market risk. By using the bot's front-end, users can start their own short funding bot to farm funding rate fees. The bot's back-end will monitor each user's position and automatically close out trades when the funding rate cannot give rise to positive yield.

Team Members and Qualifications:

1. Taariq Lewis - CEO/Founder
2. Joyce Hermosilla - Head of UI/UX
3. Steven Jung - Senior Smart Contract Engineer
4. Jamie Lee - Senior Front-end Engineer
5. Eric Eisenberg - Senior Back-end Engineer
6. Zhibai Zhang - Defi Strategist

Project Links:

1. <https://volume.finance>
2. <https://palomachain.com>
3. <https://palomaswap.com>
4. <https://palomabot.ai>
5. <https://curvebot.fi>
6. [Volume Finance · GitHub](#)
7. [GitHub - palomachain/paloma: The fast blockchain messenger protocol](#)

Contact Information:

1. TG:

[Telegram: Contact @taariqlewis](#)

1. Twitter:

[x.com](#)

1. Email:

info@volume.finance

SECTION 2: GRANT INFORMATION

Requested Grant Size:

75K ARB

Grant Breakdown:

[

Screenshot 2024-06-14 at 8.07.00 AM

2984×1586 412 KB

](https://global.discourse-cdn.com/business7/uploads/gmx/original/2X/2/28cf9b022d6dafa9e32fc7a900c19b410668bc6e.png)

Source: [20240607 Volume Grant Application - Paloma <> GMX Short Funding Bot - Google Sheets](#)

Funding Address:

Gnosis Safe Wallet 2 out of 3 Signers from the Volume team. 0xB30A1d15CEFa2767Db2c5157FeE7b679F10C5215

SECTION 3: GRANT OBJECTIVES AND EXECUTION

Objectives:

The GMX short funding bot is designed to help users yield-farm on GMX via funding short futures positions in a delta-neutral fashion to control market risk. Running delta-neutral trades involving futures is a highly non-trivial task and usually only employed by sophisticated traders. This bot will help close this gap by providing fully automated strategies, rigorous risk management layers and a user-friendly interface.

Key Performance Indicators (KPIs):

1. Total number of bots created
2. Total transaction volume
3. Total number of trades
4. Total value locked
5. Total number of users

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

1. A grant will cover sufficient engineering and smart contract auditing cost to ensure the completion of the entire building, testing, debugging and enhancing process.
2. Part of the grant will be spent on live testing trading cost. To make sure the product's security, user experience and efficiency, a large number of live tests are required.
3. The grant allows us to deliver a new product layer to GMX not yet offered by any other parties: Automated trading bots for traders who lack the skills and experience to build profitable trading strategies, but do not wish to simply pool their liquidity into a vault. Paloma's GMX Short Funding bot provides a unique and reasonable limited-risk trading experience that we are confident will bring more users to GMX.

Justification for the size of the grant:

The project requires the following major tasks:

1. Project Scope and Management
2. Trading Bot Documentation
3. Vyper Engineering: Smart Contracts for GMX
4. Cosmwasm Engineering: Smart Contracts for Paloma
5. Software Engineering: Middleware Development
6. Front-End Engineering: GMX Short Funding Bot Webpage
7. Software Engineering: Contract Deployment and Integration Tests
8. Smart Contract Auditing and Mainnet Tests

Execution Strategy:

Volume will start by developing Vyper and Cosmwasm contracts, which is followed by deployments and testing of contracts. The next step then is frontend and middleware development. Upon development's completion, end-to-end testing will begin. The last step is to go through smart contract audit.

The fund will be spent on the following resources

1. Product Management - 5 days
2. Software Engineering - 20 days
3. Front-End Engineering - 5 days
4. Smart Contract Audit - 15 days

Grant Timeline and Milestones:

Milestone 1:

1. Vyper and Cosmwasm contracts development
2. Volume will develop Arbitrum Vyper contracts for direct interactions with GMX's contracts, such as open close positions, swap, deposit and withdraw. There will also be Cosmwasm contracts developed and deployed on Paloma. These contracts are used for handling bot strategy computation, key data management and job scheduling.

Milestone 2:

1. Frontend and middleware development and end-to-end testing
2. Once the smart contracts work is complete, Volume will build middleware to bring smart contract functionality to a user interface. The team will design and develop a frontend for bot usage and management. When both are done, full integration tests will start. The contracts will be deployed on Arbitrum and Paloma mainnet and tested. Successful integration tests will be followed by a comprehensive audit
3. Auditing will be executed by two auditing firms on both the Cosmwasm and EVM smart contracts.

Fund Streaming:

The Volume team agrees to have funding of the proposed ARB grant streamed linearly for the duration of the grant proposal, and that the multisig holds the power to halt the proposed streamed grant at their discretion at any time.

SECTION 4: PROTOCOL DETAILS

Provide details about the protocol requirements relevant to the grant. This information ensures that the applicant is aligned with the technical specifications and commitments of the grant.

What date did you build on GMX?:

Volume started building on GMX on April 12, 2024, via our github repo: [GitHub - VolumeFi/short-funding-bot-vyper](#)

Protocol Performance:

Paloma Protocol is a Cosmos-SDK Relay chain that provides cross-chain programming and smart contract execution on eight target EVM chains, including Arbitrum.

Protocol Roadmap:

Our Protocol Roadmap includes the ongoing deployment of cross-chain execution support on GMX and the launch of multiple trading bots on the GMX platform. The Roadmap for Paloma GMX Short Funding Bots include:

- Ethereum Short Funding Bot
- Bitcoin Short Funding Bot
- Solana Short Funding Bot
- Dogecoin Short Funding Bot

Audit History (if any):

Audits are pending and planned for execution with audit teams recommended by Arbitrum team.

SECTION 5: Data and Reporting

Is your team prepared to create Dune Spells and/or Dashboards for your incentive program?:

Yes we have experience building analytics and dashboards on Dune.

Does your team agree to provide bi-weekly program updates on the GMX Forum thread?:

Yes. We are prepared to provide bi-weekly program updates on the GMX Forum. We currently also host Volume Twitter Spaces every week with regular updates to our community and public on both Paloma and Volume.

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. We consider it a privilege to partner with the GMX community and will respect all terms of the grant, should we be awarded.