Glossary

General

Term Definition Clearing House margin/accounting engine of the protocol AMM means an Automated Market Maker is Drift's source of constant liquidity that is based on the constant product formulax*y=k balancing the reserves. Keeper Network refers to the network of Keeper Bots on Drift that facilitates the exchange of liquidity. For more information, read[Keeper Bots](Keeper Bots) JIT means to Just-In-Time. JIT Auction a "Just-in-Time" Auction refers to the dutch auction mechanism that lets Market Makers provide liquidity to Takers.a "Just-in-Time" auction refers to the dutch auction mechanism that lets Market Makers provide liquidity to Takersa "Just-in-Time" auction refers to the dutch auction mechanism that lets Market Makers provide liquidity to Takersa "Just-in-Time" auction refers to the dutch auction mechanism that lets Market Makers provide liquidity to Takers Market Makers / Makers refers to parties on the platform that provides liquidity to the exchange. Liquidity 'provided' by Market Makers can be 'taken' by Takers. Market Makers includes parties that place orders on Drift with the 'Post-Only' function. This means the order will be placed on the decentralised orderbook and will only add to the liquidity available. Market Makers also include parties that provide liquidity via the JIT mechanism. Takers refer to users on the platform that 'take' liquidity from the exchange. Takers take liquidity made available by Market Makers or Drift's AMM. BAL providers BAL Providers are users who hold BAL Shares in a particular Perpetuals Market and increase the AMM's liquidity. These users receive positions pro-rate:e.g. their share amount of the AMM's constant product invariant (k). Adding/Removing BAL shares increases/decreases the AMM's k Longing means you are speculating on the price of the asset going up. Shorting means you are speculating on the price of the asset going down. TWAP means Time Weighted Average Price which is the average price of the Oracle over a specified period of time. This approximation is calculated on-chain during program interactions with the account. Market Info

Term Description Example Index / Oracle Price is the price of the underlying asset (currently: as reported by Pyth). 201.01 Mark Price is the price of the relevant market. 201.05 Funding Rate refers to 1/24 the average premium every hour;if positive, longs pay shorts. if negative, shorts pay longs;see for more details .0012% Open Interest refers to the total size of all positions (long and short) in the relevant market. 181 SOL 24h Volume refers to the total volume traded in the past day in the relevant market. 1.04M Position Table

Term Description Example Market means a base / quote asset pair. SOL/USD Direction means the position's bet on price change. LONG,SHORT Size means the position's base asset value. 2.3555 SOL Notional means the position's quote asset value. 1,000 Entry Price means the average price paid (cost basis) for acquiring position. 200 Exit Price means the average price realised if closing entire position. 200 Liquidation Price means the soft estimate of price where liquidation of the account will occur. None P&L (Profit & Loss) means the Profit and/or Loss of position;Calculated on difference between EXIT PRICE and ENTRY PRICE. 0 Action Opens modal for reducing/closing position. ClosePosition Term Description Example Total Collateral means the total available USD value of weighted collateral and P&L for margin trading 101.01 Unrealised P&L means the sum of P&L available in all open positions that have not been realised (settled) by the user yet. 1 Unrealised Funding P&L means the unrealised amount collected/paid for funding payments. (will be automatically realised upon next user action) .01 Free Collateral means the value of collateral that can be used to open new risk-increasing positions. 0.5 Leverage means Total Notional Position Size / Total Collateral. 5x Margin Ratio means Total Collateral / Total Notional Position Size. 20% Maintenance Margin Req. is the margin ratio at which users will liquidate back up to the liquidation buffer. 5% maintenanceRatio maintenanceMarginReq / Total Collateral AMM Specific

Term Definition K is the curve invariant, currently for constant product;k = base_asset_reserve * quote_asset_reserve Base Asset Reserve means the virtual base reserves for a market (SOL reserves). Quote Asset Reserve means the virtual quote reserves for a market (e.g. USDC reserves in a SOL/USDC virtual pool). Peg Multiplier means the magnitude of the quote asset reserve. For instance, one virtual quote asset reserve is a peg multiplier amount of the quote asset. A peg multiplier ensures that the base asset reserve and the quote asset reserve are balanced at the initialisation of the curve while ensuring that the starting price of the pool is equivalent to the oracle price of the base asset at initialisation. Reserve Price in the AMM, is defined as(quote_asset_reserve * peg_multiplier) / base_asset_reserve . It is the true reserves price prior to any spread logic. Bid Price is the Price available to sell from the AMM, before slippage. Ask Price is the Price available to buy from the AMM, before slippage. Mark Price means the Market Price. Average of current Bid and Ask Price. Oracle Price means the latest composite price from oracles. Oracle price is interchangeable with index price. Repeg means modifying the peg multiplier which means re-pegging the curve such that the mark price is closer to the oracle price. Adjusting K means modifying the curve's invariantk by scaling the base/quote asset reserves. For instance, this modifies the default slippage of a swap. Terminal Price means the mark price if all users atomically closed their positions and no repegs/k adjustments occurred (should be equal to the peg multiplier if all k adjustments were done during a balanced market). Users

Term Definition base asset amount The amount of base currency (e.g. SOL-PERP) held by a single user. net user position Current longs - shorts in a given market.

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