

# Summary

This proposal seeks to optimize dYdX Chain vault performance by adjusting each vault's parameters based on individual market characteristics. The results of these adjustments will be compared against default settings to guide future protocol improvements and enhance vault efficiency.

## Abstract

With the recent upgrade of dYdX Chain to [v6.0.4 software](#), each vault can now have its own unique quoting parameters, allowing for tailored optimization based on individual market characteristics.

I propose to adjust the vault parameters for individual vaults as an experiment to test whether market-specific configurations can improve performance. Historically, all vaults have used the same parameters across various markets, regardless of differences in volatility and trading volume. This proposal introduces unique spread and skew parameters for several vaults to evaluate their impact compared to the standard defaults.

Once the parameter adjustments are implemented, each vault's performance will be analyzed to determine if these custom configurations deliver improvements. Based on the findings, these insights could drive protocol updates, creating a more dynamic and adaptable vault system tailored to diverse market conditions.

## Motivation/Rationale

Markets on dYdX vary widely in volatility and trading volume, yet vaults have been operating under a one-size-fits-all approach. The ability to customize vault parameters presents an opportunity to improve the vaults' performance by catering to individual market conditions. By experimenting with new configurations, I aim to explore better ways to optimize vaults and potentially improve the overall protocol.

## Specification

dYdX Chain v6.0.4 enables governance to update individual vault parameters by submitting `MsgSetVaultQuotingParams` in a parameter change proposal. I propose to update the following markets with their specific skew factor and spread as follows:

market

skew\_factor

spread

PEPE-USD

2

30

MOTHER-USD

2

30

DOGE-USD

1.5

15

MOG-USD

2.5

15

TREMP-USD

2.5

60

BODEN-USD

2.5

60

TLOS-USD

2.5

60

ONDO-USD

2.5

15

ENA-USD

1.5

15

IO-USD

1.5

15

ENS-USD

1.5

60

FLOKI-USD

1.5

60

FTM-USD

1.5

15

SAFE-USD

2.5

60

AKT-USD

2.5

60

BRETT-USD

2.5

15

1INCH-USD

1.5

60

XTZ-USD

2.5

15

UMA-USD

2.5

15

ZRX-USD

2.5

15

THETA-USD

2.5

15

ENJ-USD

2.5

15

GMX-USD

2

30

PRIME-USD

2.5

60

BEAM-USD

2.5

60

DMAIL-USD

2

30

MAVIA-USD

2

30

ALGO-USD

1.5

15

ASTR-USD

1.5

60

AXL-USD

1.5

15

WOO-USD

1.5

60

ETHFI-USD

1.5

15

STX-USD

2

30

TON-USD

1.5

60

RENDER-USD

1.5

60

TAIKO-USD

2.5

15

SUSHI-USD

2.5

15

BLAST-USD

1.5

60

DEGEN-USD

2

30

MNT-USD

2

30

BICO-USD

2.5

15

CORE-USD

2.5

60  
KAS-USD  
2.5  
15  
CVX-USD  
2.5  
15  
AXS-USD  
2  
30  
SATS-USD  
2  
30  
PEOPLE-USD  
1.5  
60  
VRTX-USD  
2.5  
15  
MICH-USD  
1.5  
60  
ZERO-USD  
2.5  
60  
AURORA-USD  
2  
30  
FOXY-USD  
2  
30  
JASMY-USD  
2.5  
15  
W-USD  
2  
30

PIXEL-USD

2.5

60

EGLD-USD

2.5

15

ALT-USD

2.5

60

ZEN-USD

2.5

15

XAI-USD

2.5

15

CAKE-USD

2.5

60

AR-USD

2.5

60

NOT-USD

2.5

60

POPCAT-USD

2

30

TRB-USD

2.5

60

NEO-USD

2.5

15

BOME-USD

2.5

60

TURBO-USD

2.5

60

XMR-USD

2

30

MEW-USD

2.5

15

OM-USD

2

30

GALA-USD

2.5

60

TAO-USD

2.5

60

CHZ-USD

1.5

15

IMX-USD

1.5

60

ARKM-USD

1.5

60

HBAR-USD

1.5

15

GRT-USD

2

30

PYTH-USD

1.5

15

JTO-USD

1.5

60

AEVO-USD

2

30

STRK-USD

1.5

60

ORDI-USD

1.5

60

ZK-USD

1.5

60

DYM-USD

1.5

60

INJ-USD

1.5

15

PAXG-USD

2.5

15

BONK-USD

1.5

60

SHIB-USD

1.5

15

RUNE-USD

1.5

15

SNX-USD

2

30

BNB-USD

1.5

15



UNI-USD

1.5

60

WLD-USD

1.5

15

APT-USD

1.5

15

SUI-USD

1.5

15

TIA-USD

2

30

JUP-USD

1.5

15

TRX-USD

1.5

60

SEI-USD

1.5

15

BLUR-USD

1.5

60

WIF-USD

1.5

15

MANA-USD

1.5

60

ZRO-USD

2

30

PENDLE-USD

2

30

GME-USD

2.5

60

DRIFT-USD

2

30

EURC-USD

2.5

60

RETARDIO-USD

2.5

60

DAI-USD

2.5

15

OSMO-USD

2

30

HNT-USD

2.5

15

ETH-USD

1.5

60

BTC-USD

1.5

15

NEIRO-USD

1.5

15

TRY-USD

2.5

15

Next Steps

I'm planning to submit the on-chain proposal early next week.