Nectar GMX Grant

Applicant Name or Alias

: Steven D'Agostino

Project Name

: Nectar Finance

Project Description:

Nectar is building vaults on top of Arbitrum based perpetual DEX's that give users easy access to one-click hedging and complex algorithmic trading strategies through a simple User Interface. We are creating a new type of crypto primitive toolset that is accessible to users of all levels of experience.

Team Members and Qualifications:

Samuel McCulloch - CEO , Steven D'Agostino - COO, Ben Foley - CTO

Project Links:

nectarfinance.xyz, x.com

Contact Information:

TG:

@zebusteve

Twitter:

x.com

Email:

Steve@nectardollar.xyz

SECTION 2: GRANT INFORMATION

Detail the requested grant size, provide an overview of the budget breakdown, specify the funding and contract addresses, and describe any matching funds if relevant.

Requested Grant Size:

60k ARB

Grant Matching:

10k so far from ARB

Grant Breakdown:

- 20k ARB - Development, 20k ARB- Incentives, 20k ARB Liquidity

Funding Address:

: 0x4F404239c2496ddbE47D7C59fe9B4f99Ca4f8DE8

Funding Address Characteristics: ARB multisig controlled by team

Objectives:

Nectar is building vaults on top of Arbitrum based perpetual DEX's that give users easy access to one-click hedging and complex algorithmic trading strategies through a simple User Interface. We are creating a new type of crypto primitive toolset that is accessible to users of all levels of experience. Our goal is to open doors to new and advanced market strategies starting with Hedge and Hedge+.

Our ask is 60000 ARB

tied to our benchmarks and KPIs.

Hedge is a simple way to mitigate price risk for any ERC-20 token with supported perpetual DEX markets. Many people hold ETH, BTC, and ARB, and would like to remove price exposure from their position. Hedge ugmxsers deposit into vaults, and the protocol opens a 1:1 delta neutral hedge position on their behalf.

Once deposited, users earn or are deducted the hourly funding rate. Funding rates are variable and are based on the perpetual price versus the spot index price. If the perp price is higher than the index price, Hedge users earn yield, if it is negative, they pay a fee. Nectar automatically compounds or deleverages positions based on funding.

Our MVP for Hedge will allow users to open a delta neutral position and earn yield. Our production model (phase 2) will introduce necUSD, our stablecoin that can be minted against Hedge Vault Shares. Our long term plans include a variety of tokenized strategies, aiming to expand the composability of the defi landscape.

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

We have secured a grant from the Arbitrum Foundation !! and are looking to follow up with a GMX grant.

This grant will extend our funding and allow us to give incentives to our Beta user base. We are committed to building intuitive products that make crypto accessible to a greater number of participants and help to grow the ecosystem as a whole. We greatly value the low-cost, high transaction speed, scalability, security and seamless development experience that Arbitrum has to offer and aim to bring more users to the network.

Brief Timeline (More fleshed out timeline below)

1-3 Months: Develop and deploy MVP and launch on Arbitrum Mainnet launch, Deploy discord servers, deploy GMX strategy, galxe community growth initiative

4-6 Months: Full product deployment including expanded one click strategies, Token launch, Bug Bounty, tvl growth

Competitive Edge

We are the first protocol to build vault solutions for GMX and Hyperliquid using algorithmic trading strategies. We will allow users to programmatically execute perpetual trading strategies for Dex's only available on Arbitrum. No one else will have a product like ours that effectively manages perp trading strategies.

Other yield vaults like Jones DAO are integrated into DeFi only apps and services. We have a novel hybrid solution that creates a yield vault and pairs it with programmatic order execution on perp dexes. No other project on Arbitrum has done this yet.

Nectar's Growth Potential

We believe that there is an untapped market for growth by building with GMX and Hyperliquid. These are the two most performant perp dexes on Arbitrum and we want to build simple vaults for people to hedge, leverage and take advantage of basis funding using our protocol. Our strategies provide high yields only available through perp dex trading and will perform well in comparison with the many other strategy yields currently available on Arbitrum.

Open interest on all Arbitrum perp dexes is well over $300m, we want to absorb a large portion of this from retail traders as they seek easy to use strategies to gain yield.

GMX alone has risen to $50m open interest and deposit totals since its launch in May. We expect to contribute 10-20% of their total OI once we launch. We also expect to contribute 5-10% of the total volume with our vaults.

Team and Advisors

Samuel McCulloch: Chief strategist, Samuel McCulloch is Founder of Flywheel DeFi, a company funded by the Frax DAO to grow the ecosystem. He is also former product at Okcoin and before that was founder at Adara, a CEX startup that almost made it out of the 2018 bear market.

Ben Foley, Product: Our product specialist and smart contract developer, co-founded NovaRelic with Joshua in 2021, a DAO dedicated to building and consulting for decentralized applications. Ben has over a decade of experience in software development and has been designing systems and writing smart contracts for the EVM since 2020.

Steve D'Agostino, Operations/Marketing: PwC Innovation Hub, OKx, Cointelegraph, Ethernity Chain, and EckoDao, Steve D'Agostino is a seasoned crypto marketing professional and company builder. He is a gifted community leader with expertise spanning various aspects of the industry, making him a valuable asset to our team.

Patrick Dugan, Quant: has worked in DeFi since the days of Mastercoin Foundation in 2014, was proxy to the dawn of Tether, decentralized derivatives in their original design, and has managed treasury and basis trades since between the start of the perpetual swap. He's the founder of TradeLayer and a heretic Bitcoiner who has been blocked by a who's who of maximalists.

Jack Corddry, Technical Advisor: Jack Corddry is the core developer of Frax's Liquid Staking Derivative suite, FraxEth. Jack's innovative two token model has propelled their product forward as the highest yielding LSD for ethereum in terms of APY. He is a key resource for Nectar's development team.

Taariq Lewis, Biz Dev & Technical Advisor: Taariq Lewis is the founder of VolumeFi, a San Francisco based web3 company focused on on-chain security solutions. Taariq has been instrumental in the development and growth of Palomachain, which acts as a decentralized execution layer for advanced off-chain calculations and position management in Nectar's product suite.

Socials & Sources:

Website: https://nectardollar.xyz

Gitbook: https://nectar-dollar.gitbook.io

Telegram: Telegram: Contact @nectar_official

Twitter: https://twitter.com/Nectarfinance

KPI Phases & Benchmark Checklist

Phase 1 - 20,000 ARB

June 1st - July 31st 2024

Develop MVP for launch on Arbitrum Mainnet

- Goal 1: Design initial smart contract architecture to be deployed on Arbitrum

- Goal 2: Complete strategy execution algorithm for the Hedge Product.

- Goal 3: Deploy Discord server, expand our social media presence, and grow our community, run galxe campaign

- Goal 4: Complete smart contracts for Nectar core on Arbitrum and strategy execution via Paloma Chain

Phase 2: Full Product Deployment

20,000 ARB

August 1- Sept 31st 2024

- Goal 1: Testnet Trial Launch of MVP for User Tests (UI/UX)

Goal 2: Submit Contract Audits

Goal 3: Launch MVP of our D'app and onboard early users to our first product, Hedge. Includes a bug bounty program.

Goal 4: Grow Nectar's user base, transaction volume and TVL

Phase 3

20,000 ARB

Oct 1st - November 31st 2024

- Goal 1: Complete algorithms for Triple Long and Basis, our second and third one-click strategies

- Goal 2: Complete Rust and Vyper smart contracts for Basis & Triple Long strategy execution via Paloma Chain

- Goal 3: Third-party smart contract audits

- Goal 4: Deploy Triple long and Basis Strategies with Bug Bounty

- Goal 5: Expand community and user base via emissions incentives

Partnerships:

Paloma Chain - Paloma is a fast, permissionless, Cosmos-SDK blockchain that moves messages securely, between any other blockchains. Paloma is designed for developers who wish to manage bi-directional messages between chains in a scalable and secure manner.

GMX - Our initial product will be deployed on GMX. We will be working with them to bring new users to their exchange and increase volumes/OI.

Future Partnerships:

Hyperliquid - We will setup cross-exchange arbitrage vaults after we deploy Hedge and Triple Long. These vaults will arbitrage price and funding between the two exchanges.

Spool-fi and Masma will be offering our strategies to their user base and integrating it with their product offerings.

We will be Integrating LSDs when GMX offers them as collateral on their DEX.

Marketing collabs with Arbitrum DAO and x8c planned.