

Following the 45% reduction in trading rewards during Epoch 21 and Epoch 22, sufficient data has now been accumulated to assess the impact on the user base of the decentralized exchange platform, dYdX.

Methodological Approach:

In order to develop a methodology that is not influenced by market conditions, I propose an approach that, while not ideal, serves as a starting point for analysis. I identified two groups of "active users": accounts that received more than 500 dYdX rewards in both Epoch 19 and 20, and accounts that received more than 100 dYdX rewards in the same period.

The analysis revealed that there were 291 accounts with over 500 rewards and 794 accounts with over 100 rewards. I then determined the number of these accounts that received zero rewards in either Epoch 21 or 22. The results showed that 117 accounts from the first group and 347 accounts from the second group experienced this decline.

Acknowledging the possibility that some users may have created new accounts or that new users may have joined dYdX, I established two additional groups to account for this factor. The first group comprised accounts with zero rewards in Epoch 19 and 20 but with over 275 dYdX rewards (500 minus 45%) in both Epoch 21 and 22, while the second group included accounts with more than 55 tokens (100 minus 45%). These groups consisted of 50 and 146 users, respectively.

Resulting Insights:

Considering these numbers, I estimate that dYdX lost 67 users (117 minus 50) in the first group and 201 users (347 minus 146) in the second group. Consequently, the loss percentage for the first group is approximately 23% ($67/291$), while the loss percentage for the second group is around 25% ($201/794$).

In conclusion, the reduction in trading rewards led to the loss of at least 23% of dYdX's active user base.

I kindly request [@Callen_Wintermute](#) to provide feedback on my research findings