

I am just writing this to get the community's feedback. I have been in GMX/GLP since January 2022 and have been a big supporter of the project. I believe I have been one of the biggest public advocates for the platform through my YouTube channel - actively covering the merits of GMX/GLP in 2022 and creating a 47 minute Fundamental Analysis video with 16k views: [GMX Deep Dive & Research Report - June 2022 - YouTube](#)

This is just to say that I am both a shareholder and a liquidity provider for the platform and only want what's best for the protocol long-term. I hold a substantial amount of GMX, GLP, and esGMX on both Arbitrum and Avalanche.

One of the biggest reasons for GMX's success can be attributed to the tokenomics. I think the 70/30 fee split to GLP/GMX is great and creates real value accrual to the token unlike a lot of the other DeFi tokens out there. GLP holders bear the biggest risk and they are compensated for it. GMX stakers bear the price risk, and they are incentivized to be long-term stakers due to the Multiplier Points.

I think that should stay that way. The one idea I want to throw out there is with esGMX. Currently, people can stake esGMX to receive yield in AVAX/ETH. However, you can argue that esGMX stakers add zero value to the protocol and it dilutes the yield for GLP/GMX stakers. Of course, you can argue a few things:

- To farm esGMX, someone had to either stake GMX or GLP in the past, which did create some(?) value to the protocol in the past.
- If someone stakes esGMX, that means new GMX isn't entering supply

I mean, sure. But if you think about effective tokenomic models, it's one in which the tokenholder receives upside while also taking some downside risk. And you can easily argue that esGMX stakers are not providing any value to the protocol. The second argument above is weak as well.

In fact, if AVAX/ETH emissions that currently go to esGMX stakers were redirected to GLP/GMX holders, you can argue that it'll create deeper liquidity for the platform (more reasons to buy GLP) and more value accrual to the token (higher yield means more demand).

This might get pushback from those with a lot of esGMX, but do we care about them? What economic value are they adding to the platform anyways if all they're doing is staking esGMX to receive their AVAX/ETH rewards? If the only purpose for esGMX was to vest it for GMX over a 1 year period, it creates an economic incentive to provide value back to the protocol. Isn't that what we want? And I say this from a person that has esGMX.

Happy to hear everyone's feedback. Cheers!