

A proposal was recently listed on [Mintscan](#) for an ALGO-USD market. Chaos Labs supports the addition of ALGO-USD to the dYdX Chain and recommends listing under liquidity tier 2.

In line with the criteria for introducing a new market, as detailed in the [v4 documentation](#), we present our analysis and the rationale behind our recommendation for ALGO's listing.

Analysis

ALGO is currently listed for spot trading on exchanges, including Binance, Coinbase, MEXC, Bybit, OKX, KuCoin, Kraken, and Gate, with its launch on June 20, 2019 (CoinGecko). Recent 24-hour Perpetual volumes for ALGO have also recently been north of \$89m, showing interest in trading it. With aggregate liquidity of \$1.9m within a $\pm 2\%$ range, ALGO's price stability is deemed robust enough against potential manipulation, qualifying it for listing on the dYdX Chain.

Liquidity Tier Recommendation

ALGO fulfills the requirements for a Long-Tail asset as defined in the dYdX v4 [documentation](#), and, therefore, we suggest categorizing it under liquidity tier 2.

As outlined in the v4 documentation, liquidity tiers specify the margin requirements needed for each market. They should be determined based on the relative market's spot book depth and the token's market capitalization.

ALGO aligns the Oracle liquidity requirement at 8 out of 8 Oracle sources. All 8 of these are both robust and queryable sources according to the [dYdX listing criteria](#). Below are the volume and liquidity depth metrics for the proposed ALGO oracle sources:

Given that it meets the Long-Tail criteria with 8 qualifying oracle sources, but less than \$100m average daily spot volume, we suggest listing ALGO at a liquidity tier 2.