

Season 6 Review

We are thrilled to mark the conclusion of Season 6 in the dYdX Launch Incentive program.

Recap of Season 6

Comprehensive End-of-Season Report

Chaos Labs has meticulously reviewed the sixth full trading season on the dYdX Chain, focusing on evaluating the impact of the Launch Incentives Program. The detailed analysis covering all facets of the exchange's performance can be fully explored in our upcoming blog post.

Key Stats:

- The dYdX Chain has seen over \$30bn in trading volume across 133 live markets.
- Over 4000 traders actively earn points through season 6 of the launch incentive program.
- Funding rates in major markets continue to be muted on the dYdX Chain this season. This can be attributed to low volatility and a maturation of the ecosystem.
- The dYdX Chain has grown to approximately \$141m USDC in TVL deposited on the exchange at the end of season 5, up 4% from the beginning of the season.

Incentives Distribution Proposal

As presented to the community in our original proposal, the end of each trading season will result in a Chaos Labs recommendation for incentive distribution per account.

We plan to share this proposal for a community vote shortly after a thorough analysis of the season's trading data, emphasizing identifying and addressing any potential wash trading activities. Our objective in highlighting and countering such activities is to ensure the integrity and effectiveness of the program. By doing so, we aim to direct the trading incentives rightfully towards participants who engage in legitimate trading activities on the exchange. This approach is crucial in maintaining a fair and productive incentive structure, which rewards genuine contributions to the exchange and discourages practices that might compromise the program's long-term objectives and success.

We are aware of certain malicious activity involving sending high ROI accounts USDC to dilute their returns near the end of the season. An investigation into this will form part of our wash trading analysis, and the accounts ROIs will be reinstated where users are found to be victims of this.

Next Steps

1. A detailed analysis of season 6 will be published on our blog and the forums (29/08).
2. Publication of the distribution proposal on the forums (04/09) - This is slightly delayed due to the complexity added to the front end and the staking boosts again this season. *
3. Creation of the on-chain vote to distribute incentives (06/09).

*Subject to us receiving all third party data in time.