

Project name

: Longship

Author name and contact info

(please provide a reliable point of contact for the project): Ariana Fariab. Email: [ariana@shipyardsoftware.org](mailto:ariana@shipyardsoftware.org), TG: @arianafariab

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant

: Yes

I understand that I will be expected to following the public grant reporting requirements outlined [here](#)

: Yes

L2 recipient address

: oeth:0x1Dd174bF2e090d0F1b1360Ac8905780429B2642B

Which Voting Cycle are you applying for?

: Cycle 10: February 1, 2023

Which sub-committee should review your proposal? (Builders Grants, Growth Experiment Grants)

: Builders Grants

Project description

(please explain how your project works): Longship is a derivatives DEX where crypto traders can execute leveraged long trades with up to 100x leverage and no funding rate.

Unlike most derivatives DEXs today, Longship utilizes an AMM market design and does not include order books (AMM liquidity pools instead), funding rates, or the use of off-chain data (fully DeFi native). Our team has designed a unique pricing instrument that uses different factors to calculate on-chain prices more easily and efficiently than traditional methods. All operations are performed using the underlying assets on-chain with verifiable spot pricing from Chainlink oracles denominated in USD. Aside from leveraged longs, Longship also offers repo trading (in lieu of short selling), above-market LP yields, and other tools to help traders profit and hedge in stormy market conditions.

Website

: <https://longship.fi>

Twitter

: [https://twitter.com/Longship\\_fi](https://twitter.com/Longship_fi)

Discord/Discourse/Community:

Other relevant links

(including any demos): [Longship Teaser - The Derivatives DEX - YouTube](#)

Additional team member info

(please link): Mark Lurie (Co-founder, CEO): 2 VC-backed mktplace exits, investor at Bessemer, FJ Labs, HBS, Harvard AB (Economics) '07. <https://www.linkedin.com/in/mlurie>, TG: @marklurie

Abe Othman, PhD (Co-founder, CTO): AngelList Head of Quant Fund, 2 VC-backed exits, Dissertation on Automated Market Making, CMU CS PhD, Harvard AB (Applied Math) '07. TG: @aothman47

Please link to any previous projects the team has meaningfully contributed to

: Longship is built by Shipyard Software (<https://twitter.com/ShipyardSW>), which builds specialized DEXs each tailored to specific types of traders. The Shipyard team has also built Clipper (<https://clipper.exchange>).

Relevant usage metrics

(TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.): Longship has not launched yet so there are no usage metrics to share. The platform has already garnered attention, however, with almost 8k organic Twitter followers anticipating the launch: [https://twitter.com/Longship\\_fi](https://twitter.com/Longship_fi).

Competitors, peers, or similar projects

(please link): Perpetual Protocol (<https://perp.com/>) - not available in U.S. (Longship is).

dYdX (<https://dydx.exchange/>) - has different technology model.

GMX ([GMX](#)) - uses clunky funding rates.

Is/will this project be open sourced?:

In the Future

Optimism native?

: No

Date of deployment/expected deployment on Optimism

: 4/3/2023

What is the problem statement this proposal hopes to solve for the Optimism ecosystem?:

As stated in the Governance Fund Charter, "The Governance Fund should support developers launching novel applications that will draw new users to Optimism". Longship's novel technology and unique value proposition (up to 100x leverage and no funding rate) are sure to draw users to the ecosystem if Longship is able to launch on Optimism.

How does your proposal offer a value proposition solving the above problem?

: The Longship platform is nearly complete, but it requires a baseline level of liquidity in order to launch. We plan to use the grant tokens to launch Longship on Optimism as one of the first chains it will launch on. This will help grow the Optimism ecosystem by bringing a novel new protocol to it, along with the 100K+ discord community members from the Clipper community who we intend to funnel into Longship.

Why will this solution be a source of growth for the Optimism ecosystem?

: See above answer.

Has your project previously applied for an OP grant?

: No. However, we have received grants for another of our products, Clipper.

Number of OP tokens requested

: 50k OP

Did the project apply for or receive OP tokens through the Foundation Partner Fund?

: No

If OP tokens were requested from the Foundation Partner Fund, what was the amount?

: N/A

How much will your project match in co-incentives?

(not required but recommended, when applicable): N/A

How will the OP tokens be distributed?

(please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving.): OP tokens will be used to "seed" the platform prior to its launch (allocation 100%) with protocol-owned liquidity.

Over what period of time will the tokens be distributed for each initiative?

Shorter timelines are preferable to longer timelines. Shorter timelines (on the order of weeks) allow teams to quickly demonstrate achievement of milestones, better facilitating additional grants via subsequent proposals: We will use the tokens for protocol liquidity immediately upon launch.

Please clearly define the milestones you expect to achieve in order to receive milestone based installments. Please consider how each milestone relates to incentivizing sustainable usage and liquidity on Optimism. Progress towards each milestone must be trackable:

This is a single-milestone grant. It will be used for a baseline level of protocol-owned liquidity to assure proper/smooth functioning of the market on day one. The only milestone is launch day.

Why will incentivized users and liquidity on Optimism remain after incentives dry up?

: We expect Longship will be a superior instrument to GMX, which would attract a very large amount of attention and usage. We also expect LP yields to be substantially higher than GMX, which we expect would attract more liquidity.

Please provide any additional information that will facilitate accountability

(smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.): DAO Optimism Gnosis Multisig: 0x1Dd174bF2e090d0F1b1360Ac8905780429B2642B

Confirm you have read and agree to the Eligibility Restrictions

([here](#)): I have read the Eligibility Restrictions and agree to abide by their conditions