In the recent months, Gnosis put a lot of effort into developing market mechanisms on plasma. Today, we are excited to share two papers and we are looking forward to your feedback.

Multi-batch auctions with uniform clearing prices

We developed a trading

mechanism between several ERC20 tokens on plasma. Each batch accepts orders to buy any ERC20

token with any other ERC20 token for a maximum specified limit price. All orders are

collected over some time interval and then a uniform clearing price over all token pairs is

calculated for the settlement of all orders.

There are three major advantages of this new market mechanism:

1. Using batch auctions and DKG encrypted orders eliminates front-running possibilities.

2. Batch auctions allow accumulating liquidity over time.

3. Uniform clearing prices allow advanced ring trades between several tokens. This is a useful feature, as it allows to bundle the liquidity between different tokens. Considering the rise of many stable tokens, this will become a great feature: trades between a stable coin and a target token benefit from the liquidity between other stable coins and this target token.

We published two papers. One paper is focused on the plasma implementation and the other one is focused on the optimization of uniform clearing prices.

Here are the links to the papers.

We are looking forward to your feedback.