

Hey everyone,

Cole here from [Elixir Protocol](#). With the dYdX v4 chain code now open source, we are excited to announce that we have begun development of our permissionless listing engine as the first decentralized application on dYdX chain.

Orderbook exchanges face a fundamental issue in bootstrapping liquidity - it is near impossible for retail parties to supply liquidity to pairs. For permissionless markets this issue becomes even more prevalent.

This application, powered by the Elixir Protocol, will allow retail users to trustlessly, one-click supply USDC liquidity to any permissionless market, earning subsidized APYs (through liquidity incentives).

Elixir is building the industry's decentralized, algorithmic market making protocol. Through the Elixir Protocol, anyone will be able to passively supply liquidity to orderbook pairs on perp DEXes across the space, earning subsidized APYs from existing long term liquidity incentive programs offered by exchanges.

Elixir has raised ~\$15m and has had its smart contracts audited by Trail of Bits. Many of the leading perp dexes are natively integrating Elixir, launching in the coming weeks (e.g. Vertex Protocol, Injective, RabbitX, Satori, Orderly/WooFi, and Bluefin).

Elixir will serve as crucial infrastructure for dYdX v4

, enabling ecosystem participants to provide liquidity to orderbook pairs via a purpose-built, decentralized DPOS consensus protocol in development for over two years. Elixir utilizes the orderbook equivalent of $x*y=k$ curves, similar to Uniswap v2, to build up orderbooks and tighten the bid/ask spread, bringing a familiar delta-neutral risk/return profile for liquidity providers.

After over a year of discussions with the governance participants, the dYdX core/foundation teams, and large token holders, we are excited to build out this new primitive. We are self-funding development of the application, building it with a target deployment on dYdX chain at launch. We'll keep everyone posted with our development efforts in this thread.

Before that time, we'll propose a subDAO

within dYdX that will help set Elixir parameters and govern how Elixir's application interacts with, and drives value to, the broader dYdX ecosystem.

Happy to answer any questions! Excited to engage with the community further.

(Side note: Elixir is co-hosting an event with dYdX Trading and dYdX Foundation for Messari Mainnet

in New York City this Wednesday, September 20th. We would love to connect with anyone from the forums if you are in town: <https://twitter.com/dYdX/status/1703772356273996261>)