

Project name:

Symphony Finance

Author name and contact info (please provide a reliable point of contact for the project):

[@kakashi](#) [@Rohan](#) [@Roland](#) [@Pankaj](#)

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

Yes

L2 recipient address:

0x49646c840f3f59de4Ab10E0F938477D50889607B

Which Voting Cycle are you applying for?:

Cycle 8

Grant category:

DeFi

Is this proposal applicable to a specific committee?

DeFi Community

Project description:

A novel yield-optimized trading protocol that earns you extra yield while trading crypto.

Symphony DEX is the composability layer that aggregates prices and liquidity across all DEXs and DEX aggregators, providing you with the best prices and fastest execution speeds for your trades. This way, you can buy and sell tokens more capital-efficiently than ever. Your trades keep earning yield on safe protocols like Aave, Yearn, etc. till the time they execute.

Symphony also offers limit and stop loss order features, allowing maximum flexibility for various trading strategies. These features help protect you from depegs and let you DCA effectively during market dips - while still earning you interest.

Along with being the only yield-generating DEX, Symphony DEX is also a certified gnosis-safe standard platform, allowing users to control their digital assets with much more granular permissions. It is the perfect protocol for multisigs, DAOs & funds to diversify their treasuries. We are proudly backed by Aave, Balancer, and Mstable grants.

Symphony DEX is live on Optimism and, it allows you to trade tokens including \$OP with limit and stop-loss order functionality. We have already integrated with industry leaders like Uniswap, Aave, Balancer, Paraswap and are open to integrating with more protocols such as Velodrome & other DEXes, DEX aggregators, and lending & yield optimizers thereby bringing more growth to the broader Optimism ecosystem.

Project links:

- Website: <https://symphony.finance>
- Twitter: <https://twitter.com/SymphonyFinance>
- Discord: <https://discord.com/invite/HsVP3KP3VD>
- GitHub: [Symphony Finance · GitHub](#)
- Medium: <https://symphony-finance.medium.com>
- TikTok: <https://www.tiktok.com/@symphonyfinance>
- Subgraph: [Yolo Optimism Subgraph](#)

Additional team member info:

[Team - Docs](#)

Relevant usage metrics (TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.):

(As of 13th October 2022)

Order Created

Cumulative Orders (Optimism) - 2487

Cumulative Orders (Polygon) - 79702

Unique wallets

Unique address on Optimism - 1397

Unique address on Polygon - 33,490

Cumulative Volume

Cumulative Volume (Optimism) - \$145,635

Cumulative Volume (Polygon) - \$10,810,536

Dune Dashboard:

[dune.com](https://dune.com)

## **Symphony**

Blockchain ecosystem analytics by and for the community. Explore and share data from Ethereum, xDai, Polygon, Optimism, BSC and Solana for free.

[

unique wallets

884×383 16 KB

](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/7/77bb3c72526edf8c352b13aea5b6c640709157c6.png)

[

yolo value

886×381 19 KB

](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/6/6d174c789fa0750619b7545d2862d6e5bd8b6691.png)

Competitors, peers, or similar projects:

- <https://1inch.io/>
- <https://www.0x.org/>
- <https://www.sushi.com>

Is/will this project be open sourced?

Yes

Optimism native?:

No

Date of deployment/expected deployment on Optimism:

July 2022

Ecosystem Value Proposition:

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

During our research, we found that most DEXs fail to execute trades on time, even when there is sufficient liquidity and appropriate price on other AMMs. This problem was due to the design of order book-based DEXs, where liquidity from other DEXs couldn't be leveraged.

That is a massive problem that needs to be solved, considering that we expect a huge number of new investors to enter the crypto market in the next 6-12 months. Although DeFi is generally known for its high and safe yields, a lot of inexperienced new users don't understand the process of liquidity providing:

- How to stake / unstake
- Swap
- Bridge
- Move funds between wallets.

If things go wrong, they can't remember what step they missed and start double-checking again. It's a complicated and time-consuming process, especially for a common user.

In the past few months, the ecosystem saw tremendous stablecoin de-pegs like never before. Volatility led to a massive downturn in asset prices and resulted in huge capital losses for investors.

99% of DEXs don't earn interest for you when your trades are waiting in the order book. As a result, you have to choose between earning interest and stop-loss protection. So we asked: Why can't we have both?

Millions of dollars worth of stablecoins are waiting right now across all protocols' order books to hit their order prices, without earning any yield. As a result, a huge amount of potential yield goes to waste.

Symphony aims to solve these problems on Optimism.

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

At Symphony, we understand that when you're riding the volatility, your trades need to execute quickly. This is why we've built our DEX as the composability layer that aggregates liquidity across the network giving the user quick trade execution. Symphony acts as a Meta DEX aggregator giving the user the best price across all decentralized exchanges and aggregators such as Uniswap, ParaSwap, 1inch, and other liquidity sources. A small price change can make a big difference especially as trading is a matter of fine margins.

We've automated yield generation so users can focus on the trading. The trades keep earning yield on safe protocols till the time they execute. Symphony DEX optimizes yield on trades and auto compounds them by integrating with safe and battle-tested protocols like Aave, Yearn, etc. All one needs to do is create an order, and the yield comes automatically.

Symphony also solves depeg protection by providing a stop-loss order feature. With Symphony you can protect your capital from a stablecoin depeg situation, by setting a stop loss at \$0.95. Your stable will keep earning yield even while it's in the order book. If a stable depegs, your stop loss will hit and you will get out in time with no yield wasted. So your stables keep earning interest while you wait for the asset to reach your buy price. If a user wants to buy ETH under \$1.2k and earn yield till it executes, they can just set a buy limit order on Symphony DEX. This way the user earns passive yield on the stables even if the order price never hits.

All in all, Symphony DEX provides a win-win situation for its users, while they maintain self-custody of their assets on Optimism.

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

Symphony Finance aims to spur the growth of the Optimism ecosystem by providing a wide range of features that will attract both traders & yield farmers. Symphony DEX would also attract the holders of stable assets like stable USD pegged coins, LIDO staked eth, etc. Holders can reduce losses in the event of de-pegging while keep earning yield in the background. Apart from this, Symphony is well-positioned to cater to DAOs & multi-sig wallets by successfully integrating with Gnosis safe. Symphony DEX can serve as a treasury management tool for Safe users.

By simplifying on-chain trading through Symphony DEX, we are trying to onboard the next-gen users to Web3 & DeFi. Most people interested in DeFi, especially non-native users can't use the on-chain protocols due to high L1 gas fees and often find the whole trading process complicated. Optimism optimizes gas fees and Symphony provides automatic yields along with great trading features making it a low-risk, high-reward solution and help incentivize the new users to transition from CEX to DEX. This in turn encourages a new wave of users to explore and grow the OP ecosystem.

We already have a decent amount of users across other chains and by incentivizing activity on Optimism, Symphony DEX will be able to attract those users to Optimism and become the go-to trading DEX for all types of Web3 users ranging from an average Joe to professional traders.

With this grant distribution, Symphony DEX will be able to incentivize trading activity, utilize resources to expand our marketing efforts, and increase further developments and maintenance of our DEX on Optimism. Through sustained growth, our aim is to make Optimism the main network for DeFi users.

Has your project previously applied for an OP grant?

No

Number of OP tokens requested:

250,000 OP

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

No

How much will your project match in co-incentives?

(not required but recommended, when applicable): Our project does not have a native token yet, so we are currently unable to co-incentivize, but this can change in the future.

Proposal for token distribution:

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.)

Users on Optimism (55%)

\$OP will serve as a direct incentive for Symphony Finance Optimism users, primarily active users and new ones, to increase trading activity on the platform. Once the traders use Symphony and experience the smooth UX along with the yield and price aggregation features, they will not want to change their DEX preference. The initial trading activity will be incentivized through this distribution and help in attracting a maximum number of users.

i) 35% OP token airdrops for limit order

For the most active traders and users on Symphony, we will distribute the OP token airdrops retrospectively after we analyze the data. We specifically chose this method to prevent botting / airdrop hunting.

Through token airdrops, we want to boost sustainable growth and minimize airdrop hunting. We can use the following metrics to analyze and disburse token airdrops:

1. Unique wallets interacted with the protocol (OP side) for the most number of days. (Minimum 14 days)
2. Has used (for example: Swapped at least \$100 worth of crypto) in Symphony AND on another OP native project in the last X days.

This feature directly incentivizes the usage of Symphony on the Optimism Network. It will indirectly boost the OP ecosystem usage because it applies to all limit orders for every Token from the Optimism ecosystem.

ii) 20% gas refunds

20% \$OP tokens will be used to cover the gas fees for the users on the Symphony DEX. The grant will be used to subsidize gasless/free trades for the users of Symphony. Each user can possibly get a maximum of 90% gas rebate. There can be a possibility that the gas fee refund allocation is more than the actual gas refunds. In that case, the remaining tokens will be allocated to the user incentives.

Marketing: Ecosystem & Community - Optimism (15%)

\$OP will be used for marketing, ecosystem & community initiatives to foster user outreach and amplify our marketing efforts across various channels, through strategic partnerships and collaborations. We are growing rapidly and through this distribution, we want to boost our efforts to onboard as many new users as we can. We are also planning some creative ways to give back to the community, similar to what Aave did for lending which rewarded the user with \$OP tokens. Hence, Symphony will reward the grants for content creation, and cross-promotion / collaboration with other OP projects.

For example:

- Host AMAs with OP industry-leading projects, make Q&As, and those who participate OR answer a 5 to 10 questionnaire, can win prizes.
- Create a Request For Innovation campaign. Take a look at this [Notion – The all-in-one workspace for your notes, tasks, wikis, and databases.](#)
- We will choose topics related to DeFi, DEX & OP ecosystem and incentivize members to make content on the same. for eg. Make a 500-600 words article on why DEXs are essential in the global economy.
- People write these articles, submit them to us, and we choose the best one. After that, we publish it on our Medium and the writer gets its reward in OP tokens.

- We don't believe in influencer shilling so we can incentivize the community with written articles/tweets/videos and distribute the funds to those who genuinely deserve it on merit.
- We will also highlight at the end of every article that it was made possible by OP funds.

Social media marketing has the potential to attract new users to Crypto & DeFi by creating an aggressive marketing campaign in order to convert leads given the number of people that consume content in the form of short-form reels on platforms like Youtube, Instagram, Facebook, and TikTok for which paid campaigns will be utilized. Onboarding and educating users who are used to Web2 services to Web3 takes some investments but it can help convert a huge number of leads. We'll also be targeting Twitter as it's the most used platform by crypto users.

#### Development & Maintenance (30%)

\$OP will be dedicated to the development and maintenance to ensure Symphony DEX is evolving with updated features and security measures. Currently, the Symphony Finance team runs the relayer (a bot that automatically executes trades). The fund allocation for further development of the platform will help Symphony DEX to stay ahead of the curve and continue being a pioneer in innovation across the DEX ecosystem.

#### Short-Term Roadmap

- Add more tokens to get additional TVL
- Support more protocols for execution orders such as Velodrome
- Add more yield generation strategy to provide better APY to users
- Boost community engagement via RFIs (refer to marketing distribution)

#### Long-Term Roadmap

- Order Book Interface - Allow users to fill orders directly from the interface.
- Support of COW (Coincidence of Wants) - Internal order matching.
- Support more complex order types such as twap/icebergs orders.
- More Yield - Users can choose to earn more yield according to their risk appetite.
- Advanced Trading UI - The UI is just like CEXes.
- Add more products to Symphony DAO.

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.

Due to the variable nature of the distribution method, it's difficult to provide definite timelines for the program but we are aiming for it to be a 3-6 months program. We will adjust the period to try to incentivize more sustainable liquidity as we learn from the results as stated in the previous answer. We don't want to utilize these rewards too quickly and make sure that there is long-term growth in our DEX and Optimism usage.

Please list the milestones/KPIs you expect to achieve for each initiative, considering how each relates to incentivizing sustainable usage and liquidity on Optimism. Please keep in mind that progress towards these milestones/KPIs should be trackable.

These are the relevant KPIs that we are targeting by the end of incentives. The KPIs will be measurable through Dune Analytics.

- Exceeding 4000 unique wallets onboarded onto Optimism
- Growth of 5-10x in the global trading volume on Optimism
- At least 2 limit orders per wallet (to prevent airdrop hunting)

We can also add Yield earned as a metric. We think this is a very modest target. Our main focus is to onboard new users to Optimism rather than bringing volume in the first place. Even if they make a trade of value of \$50, we will be happy. If we are able to successfully onboard active users then, we can even make 50-100% growth in volume. So in the long run the risk of cannibalization effect is low.

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

Even after the incentives have finished, the retention value of users will be at the higher end, because there isn't a better alternative in the market right now. Symphony's innovative features coupled with the benefits of low gas fees and high

transaction speed due to the roll-up architecture of Optimism will make users stay.

This grant will accelerate growth initially, as OP tokens will incentivize users in the initial fast growth period. After the “fast growth period” we’d retain users, because of our previously mentioned features & better UX. Within the existing set of DEXs, Symphony DEX offers a unique solution that is not only attractive but also sustainable in the long run. We are simplifying DeFi for the next wave of new users and we ensure their first stop will be the OP ecosystem.

Optimism provides some of the highest APYs across different protocols. In market conditions like this, where capital efficiency is given more priority, the yield generation feature will also incentivize traders to use Symphony DEX as an easy yield farming opportunity on Optimism, thus maintaining sufficient liquidity on the platform.

We have shown signs of growth despite bearish market conditions. There is a clear market fit for Symphony in the industry and it’ll continue to grow along with the broader crypto market.

Symphony has the potential and capabilities to grow in the long term and with the right incentives, the chances of more users getting attracted to use Symphony on Optimism are very high.

Please provide any additional information that will facilitate accountability:(smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.)

YOLO

: [0x3ff61f4d7e1d912ca3cb342581b2e764ae24d017](https://etherscan.io/address/0x3ff61f4d7e1d912ca3cb342581b2e764ae24d017)