

Summary

This proposal seeks to update the `initial_margin_ppm`

parameter of the Large Cap liquidity tier on the dYdX Chain to enable up to 50x leverage for trading. The change aims to enhance market competitiveness, increase trading volume, and improve liquidity, ultimately benefiting the entire ecosystem.

Abstract

We propose updating the `initial_margin_ppm`

parameter of the Large Cap liquidity tier, which will enable traders on the dYdX Chain to access leverage up to 50x for Large Cap assets (BTC and ETH). This adjustment aligns with market trends and aims to attract advanced traders, enhance liquidity, and boost overall trading activity on the platform. By allowing higher leverage, dYdX will remain competitive with other trading platforms while offering a more dynamic trading environment.

Motivation/Rationale

This adjustment aligns with market trends and aims to attract advanced traders, enhance liquidity, and boost overall trading activity on the platform. By allowing higher leverage, dYdX will remain competitive with other trading platforms while offering a more dynamic trading environment. Overall, it will encourage greater adoption and growth within the dYdX ecosystem.

Specification

We propose updating the parameter of the Large Cap liquidity tier as follows:

Initial

```
{  
  "id": 0,  
  "name": "Large-Cap",  
  "initial_margin_ppm": 50000,  
  "maintenance_fraction_ppm": 600000,  
  "base_position_notional": "0",  
  "impact_notional": "10000000000",  
  "open_interest_lower_cap": "0",  
  "open_interest_upper_cap": "0"  
}
```

Updated

```
{  
  "id": 0,  
  "name": "Large-Cap",  
  "initial_margin_ppm": 20000,  
  "maintenance_fraction_ppm": 600000,  
  "base_position_notional": "0",  
  "impact_notional": "10000000000",  
  "open_interest_lower_cap": "0",  
  "open_interest_upper_cap": "0"  
}
```

}

Next Steps

This DRC is created to request feedback from the community, in the absence of strong dissent, we will create the on-chain proposal on October 2, 2024.