

We are thrilled to mark the conclusion of Season 3 in the dYdX Launch Incentive program and to announce the start of Season 4. This post is dedicated to summarizing the achievements of Season 3 and outlining the enhancements and expectations for the upcoming season.

Recap of Season 3

Comprehensive End-of-Season Report

Chaos Labs has meticulously reviewed the third full trading season on the dYdX Chain, focusing on evaluating the impact of the Launch Incentives Program. The detailed analysis covers all facets of the exchange's performance and can be fully explored in Chaos Labs' upcoming blog post.

Key Stats:

- dYdX Chain has seen over \$55bn in trading volume across 62 live markets. This is an increase of 66% on season 2 volumes.
- Over 5800 traders actively earn points through the launch incentive program. This up over 81%.
- Funding rates initially increased along with the market volatility in the first half of the season, but have since reduced in both magnitude and volatility as the market has calmed down generally.
- The dYdX Chain has grown to approximately \$115m USDC in TVL, up 102% from the beginning of the season.

Incentives Distribution Proposal

As presented to the community in our original proposal, the end of each trading season will result in a Chaos Labs recommendation for incentive distribution per account.

We plan to share this proposal for a community vote in the upcoming week, after a thorough analysis of the trading data from the season, with an emphasis on identifying and addressing any potential wash trading activities. Our objective in highlighting and countering such activities is to ensure the integrity and effectiveness of the program. By doing so, we aim to direct the trading incentives rightfully towards participants who engage in legitimate trading activities on the exchange. This approach is crucial in maintaining a fair and productive incentive structure, which not only rewards genuine contributions to the exchange but also discourages any practices that might compromise the program's long-term objectives and success.

Note we are still investigating some isolated cases affecting the trading leagues involving activity over the chain upgrade. League positions will only be finalized once this has been resolved. A follow up announcement on this thread will announce the final positions.

Launch of Season 4

Season 4 of the dYdX Launch Incentives program is now officially underway! Building on the foundation of Seasons 1 to 3, it continues to offer separate allocations for trading, market-making, and performance-based rewards.

In season 4 the program is ending the streaks bonus for 7 day consecutive trading streaks from season 3. This is the only change to the program structure for season 4.

Incentives Summary

- Trading rewards: \$3 050 000
- Trading leagues: \$800 000
- First deposit bonus: \$150 000
- Market making rewards: \$1 000 000

Duration and Structure

Season 4 will follow a similar structure to season 3, spanning 6-8 weeks, concluding somewhere in the 10 day period between 22 May and 1 June.

Next Steps

1. A detailed analysis of season 3 delves into how traders react to the incentive program tomorrow.
2. Publication of the distribution proposal on the forums (15 April). **
3. Creation of the on-chain vote to distribute incentives (17 April). **

** the publication of the distribution proposal and on-chain vote is subject to the finalization of the investigation into trading league positions.