

Season 2 Review and Launch of Season 3

We are thrilled to mark the conclusion of Season 2 in the dYdX Launch Incentive program and to announce the start of Season 3. This post is dedicated to summarizing the achievements of Season 2 and outlining the enhancements and expectations for the upcoming season.

Recap of Season 2

Comprehensive End-of-Season Report

Chaos Labs has meticulously reviewed the second 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 \$33 billion in trading volume across 39 live markets. This is an increase of 245% on season 1 volumes.
- Over 3200 traders actively earn points through the launch incentive program. This is up over 41%.
- Funding rates in most major markets have become more subdued, demonstrating market maturity.
- The dYdX Chain has grown to approximately \$57m USDC in TVL.

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 season's trading data, emphasizing 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 rewards genuine contributions to the exchange and discourages practices that might compromise the program's long-term objectives and success.

Next Steps

1. A detailed analysis of season 2 delves into how traders react to the incentive program, and a separate forum post announces changes for season 3 (tomorrow).
2. Publication of the distribution proposal on the forums (Wednesday, 28 Feb).
3. Creation of the on-chain vote to distribute incentives (Monday, 4 March).