

This proposal is to rebalance the token weights in the GLP Arbitrum index. In addition to rebalancing token weights, I believe increasing fees based on whether the action improves the balance of assets or reduces them would benefit GLP's index and GLP holders.

GLP Arbitrum

At time of writing, GLP within Arbitrum is composed of the following:

- 40.87% ETH
- 21.77% USDC
- 15.07% BTC
- 9.09% USDT
- 6.40% DAI
- 3.22% LINK
- 2.09% UNI
- 1.47% FRAX

To simplify, this breaks down to the following:

- 56% ETH / BTC
- 39% Stables
- 5% LINK / UNI

For reference, if the weights were at their desired weight, the pool would be composed of the following:

- 47% Stables
- 45% ETH / BTC
- 8% LINK / UNI

As GMX continues to grow exponentially, I believe GLP liquidity providers would benefit from an INCREASE in stables overall weight within the pool. What makes the GLP index unique to users is the ability to stake into an index of desirable assets while receiving attractive APR on spot and leverage trading provided by the platform. They are currently able to receive this APR while having the exposures highlighted above, but what if GLP holders were able to continue to earn yield with even more pool stability?

High yield, especially with the explosive growth of defi, is ubiquitous. This is typically through traditional liquidity provision on pairs, farming, etc. As most defi users know in these liquidity scenarios, users are typically 50/50 stable / coin or 50/50 eth / coin. As our space continues to mature and liquidity providers begin to seek safer harbor for their liquidity, increased exposure to stables will become more desirable. GMX is able to provide such a unique offering of high APR and high index stability, because of the (fantastic) way the protocol generates revenue.

As such, I propose we increase the GLP Arbitrum weights as follows:

- 60% Stables
- 30% ETH / BTC
- 10% OTHER

At time of writing, the fee to add ETH to the GLP Arbitrum pool is 0.56% when ETH is 15.87% over desired index weight. In addition to modification of GLP Arbitrum weight, I propose an INCREASE in fees or rewards for decreasing or increasing index weights, respectively. This will bring more pressure for GLP liquidity providers to act in favor of the pool for a nominal increase in fees. Thank you for reading my thoughts.

EDIT: Proposed GLP Arbitrum weights now 100%