Perpetual Markets Specs

Contract Tier

Contract tiers are used to categorically label and rank the risk of perpetual markets. There are five unique tiers:

- A
- B
- C
- Speculative
- Isolated

These ranked tiers are used for priority access to collateral in liquidations, max limits for insurance, determining acceptable range of oracle price divergence, and sanitization rules for twap / funding rate updates.

Fundamentally, a market in Contract Tier B is in a 'safer' tranche vs Contract Tier C, Speculative, and Isolated.

As of this update, most markets are currently under 'Contract Tier C', with the following exceptions: A: BTC-PERP B: SOL-PERP, ETH-PERP Speculative: 1MBONK-PERP, 1MPEPE-PERP, WIF-PERP Isolated: W-PERP

Speculative

Speculative tier has no access to external insurance funds (only the perpetual market's fee pool)

Isolated

Isolated tier requires the user account refrain / disable cross margin trading (on both perpetual and spot markets).

Users with 'Margin Trading' enabled, a non-USDC borrow, or another perpetual position will NOT be allowed to enter an Isolated Tier market

If the account has liabilities beyond the perpetual market's quote asset and the isolated perpetual market, it is forced to enter Reduce Only mode.

Oracle Source

The oracle provider which provides a price, confidence band, and timeliness information for the market.

- Pyth
- Switchboard
- Prelaunch

Pyth

Read more(opens in a new tab)

Switchboard

Read more(opens in a new tab)

Prelaunch

"Prelaunch" is a custom internal oracle source for Prelaunch Markets (markets without external oracle).

For Prelaunch markets, given there is no spot reference price, that oracle sources uses the mark twap as the oracle price. The oracle is also configured with a custom maximum price to prevent price manipulation.

This self-referential and leads to funding payments that encourage price stability (those holding positions in trend will pay those holding against trend) and ultimately relies upon market participants anticipating a valid oracle in the future.

Every Prelaunch oracle has an initial price AND max price. The oracle value cannot exceed the max price.

Max Open Interest

A maximum amount of open interest that can exist within the perpetual market. Additional orders/fills that would breach this open interest limit are blocked.

IMF Factor

A margin fraction factor. Used to increase liability weight and decrease asset weight for large positions

Spot Markets Specs

Asset Tier

Asset tiers are used to categorically label and rank the risk of a spot markets. There are five unique tiers:

- Collateral: full privilege
- Protected: collateral, but no borrow
- Cross: not collateral, allow multi-borrow
- Isolated: not collateral, only single borrow
- Unlisted: no privilege

Scale Initial Asset Weight Start

The notional value of total user deposits needed to begin scaling down the initial asset weight

Max Token Deposits

A maximum amount of tokens that can be added to collateral vault.

IMF Factor

A margin fraction factor. Used to increase liability weight and decrease asset weight for large positions

Order Step/Tick Size

Spot orders must have base lots which are a multiple of the step size and price lots which are a multiple of tick size

[Withdraw and Close Account](#) [Prelaunch Markets](#)