

Introduction to Crosnest

Crosnest is a validator running distributed and redundant infrastructure, active on over 50 mainnets and 10 testnets, including dYdX, and a top IBC relayer in the Cosmos ecosystem.

Simple Summary

This proposal seeks to (1) increase short-term rate limits for order placements and (2) adjust the `min_price_change_ppm` for large-cap and mid-cap markets. These changes aim to leverage recent performance improvements to enhance market efficiency and user experience.

Abstract

The previous dYdX Chain software upgrade has significantly enhanced the protocol's performance. Therefore, we propose increasing the short-term rate limits for order placements from 2000 to 4000 orders every 5 blocks. Additionally, we propose adjusting the `min_price_change_ppm`

for large-cap and mid-cap markets to allow tighter quoting for vaults and more accurate prices on dYdX.

Motivation & Rationale

These changes are implemented to capitalize on the recent improvements in the dYdX protocol. By increasing the short-term rate limits, users will be able to place orders more frequently, thereby enhancing their trading experience. Furthermore, adjusting the `min_price_change_ppm`

for large-cap and mid-cap markets will enable tighter quoting of vaults and more accurate prices to be shown on dYdX protocol. These changes are expected to make the dYdX more attractive to traders by offering better liquidity and more responsive to market conditions.

Specification

1. Increase in Short-Term Rate Limits:

- Current Limit: 2000 orders every 5 blocks
- Proposed Limit: 4000 orders every 5 blocks

1. Adjustment of `min_price_change_ppm`

:

- Largecap Markets: Decrease from 10 to 5
- Midcap Markets: Decrease from 25 to 5
- Smallcap Markets: No change (remains at 8)

Test Cases & Next Steps

This proposal will be tested on the dYdX Chain Testnet. A testnet [proposal](#) has been submitted.

This DRC is intended to receive feedback from the community. In the absence of strong dissent, we will proceed with the mainnet proposal once the Testnet proposal is completed.

Copyright

Copyright and related rights waived via [CC0](#).