

# Perpex Litepaper

**ABSTRACT** – Perpex is a decentralized exchange (DEX) designed to facilitate the trading of cryptocurrency futures derivatives. It offers a groundbreaking user interface and designs tailored specifically to this type of trading. As demand for decentralized exchanges (DEX) continues to grow, we recognize the potential for DEX futures derivatives to become a promising market. With the recent failures of centralized exchanges, more and more consumers are turning to decentralized financial platforms.

With the increasing popularity of decentralized exchanges (DEX), Perpex DEX aims to tap into the promising market potential for DEX futures derivatives, an area that has not yet fully reached its potential. The platform utilizes Layer 2 blockchains, specifically StarkEx, to improve speed and scalability. Layer 2 solutions are a means of enhancing network capabilities while lowering costs, which is vital in the fast-paced world of futures trading.

Built upon the Layer 2 blockchain solution, StarkEx, Perpex offers superior speed and scalability, while also reducing transaction costs and 0 gas fees. This choice of infrastructure not only aligns Perpex with Ethereum's scaling strategies but also positions the platform to capitalize on the market gap left by the departure of dYdX.

Perpex's adoption of Layer 2 technology highlights its dedication to adhering to regulations. To effectively navigate the intricate regulatory landscape of cryptocurrency assets, the platform employs stringent measures such as comprehensive KYC/AML protocols and frequent audits.

Perpex follows rigorous design procedures. We prioritize intuitive user experience and innovative features, such as drag-and-drop, 'visual order ladder', bulk limit order placements/cancelations, and advanced order management tools.

In terms of governance, Perpex is underpinned by a Decentralized Autonomous Organization (DAO) model, providing a secure framework that aligns with the ethos of the broader cryptocurrency community. Incentives are built into this governance model, offering discounts on trading fees for DAO token holders to encourage active participation and collaboration amongst users.

Perpex DEX aims to make futures trading accessible to both new and professional traders through an intuitive, secure, and regulation-compliant platform. With the rising interest in decentralized platforms for futures trading, Perpex DEX stands out with its market positioning, unique technology, and regulatory compliance, making it a strong player in the DeFi landscape.

# Mission

We firmly believe blockchain technology can provide wider access to financial instruments, unlocking economic opportunities for market participants across the globe. Our perpetual futures work like a contract for purchasing an asset in the future, and the blockchain allows for high-leverage speculation through this financial tool.

The mission of Perpex DEX is to make futures trading more accessible by making it more user-friendly and accessible compared to centralized exchanges and other decentralized exchanges. Our perpetual futures work like a contract for purchasing an asset in the future, and the blockchain allows for high-leverage speculation and hedging.

Perpex DEX's platform is at the forefront of UX/UI design innovation in DeFi futures trading. Its unique "drag-and-drop" feature, also known as the "visual order ladder", allows users to interactively and intuitively place orders.

With a simple long press on a price in the order book, users can drag the cursor to a lower price and release to place buy orders from the initial price down to the lower price.

Users can set a predetermined step and quantity for each order, providing them with unparalleled control over their trading strategies. This innovative feature, coupled with Perpex DEX's continuous commitment to user-centric design, gives Perpex and its traders a strong competitive edge in the market.

Governance at Perpex DEX is driven by a DAO model, which involves users in the decision-making process. This approach not only heightens security but also aligns with the cultural values of the crypto community, creating a resilient ecosystem driven by shared economic interests.

Token holders of the DAO token are incentivized with trading fee discounts, promoting collaboration among liquidity providers, futures traders, and builders. This strategy embodies Perpex DEX's commitment to decentralization and community involvement.

Market projections indicate a burgeoning interest in decentralized platforms for futures trading. With its strategic focus, innovative technology, and commitment to regulatory compliance, Perpex DEX is well-positioned to capture this growth and make a substantial impact in the DeFi landscape.

Our mission at Perpex is to make perpetual futures user-friendly for new and professional traders and accessible to everyone. With our platform, there's no need

for technical expertise required for to trade as a professional.

Perpex uses DAO governance to determine our strategy and involve users in the decision-making process. This approach enhances our platform's security and aligns with cultural values within the crypto market. Those who hold DAO tokens receive discounts on trading fees, incentivizing Liquidity Providers, traders, and builders.

## Market Opportunity

**Growing Popularity of Decentralized Exchanges (DEXs):** The failures of centralized exchanges have raised the demand for decentralized alternatives. This trend provides a strong market opportunity for Perpex, which aims to offer a robust, user-friendly DEX for futures trading.

**Rise of 'Degen Culture':** The rise of financial speculation in the form of 'degen culture' among crypto users highlights a strong product-market fit for leveraged trading. Perpex's high-volume trading capabilities align with this speculative trend, providing users with opportunities for high-leverage positions.

**Underutilization of On-Chain Derivatives Trading:** On-chain derivatives trading has not been fully utilized compared to centralized exchanges. With spot trading outpacing derivatives trading on DEXs, there's a latent demand for derivative trading on-chain. Perpex is well-positioned to tap into this underserved market.

**Emergence of Layer 2 Solutions:** Layer 2 solutions, like StarkEx, have emerged as solutions to Ethereum's scalability issues. As these solutions continue to gain traction, platforms utilizing them, like Perpex, are set to benefit from the increasing market demand for efficient, cost-effective trading options.

**Transition of Key Competitors:** Platforms like dYdX transitioning to their own app chains, leaves a gap in the Ethereum-based DeFi space. This transition opens up a window of opportunity for Perpex to capture market share among users dedicated to Ethereum and familiar with the StarkEx experience.

**Increasing Global Adoption of Blockchain Technology:** As blockchain technology continues to permeate various sectors globally, the market for DEXs and associated financial instruments like futures derivatives is set to expand further. This growth presents a fertile ground for Perpex to thrive in.

The recent issues faced by centralized exchanges have highlighted the advantages of decentralized platforms. DeFi and on-chain derivatives trading, in particular, hold significant potential for growth. By focusing on these markets, Perpex is poised to tap into this shift and seize the resulting opportunities.

As articulated in a [report from CCData](#), crypto users embrace financial speculation in the form of degen culture. Leveraged trading finds a strong product-market fit because of this interest in speculation.

Perpex will succeed as a platform and product because it offers a UX/UI that makes high-volume trading easier, enabled by an order book model. Additionally, the environmental conditions favor launching a decentralized derivatives exchange on a Layer 2 like StarkEx.

## Product Innovations

**Layer 2 Integration:** Unlike many DEXs, Perpex has chosen to integrate with the StarkEx protocol. This Layer 2 solution allows Perpex to offer fast, cost-efficient, and scalable futures trading. This use of StarkEx provides an edge in the DeFi marketplace, where transaction speed, scalability, and cost are significant factors influencing user experience and engagement.

**Innovative Trading Features:** Perpex incorporates trading features from traditional markets into the crypto environment. This includes the ability to place **bulk limit orders**, **trade directly** from the **order book**, and use a **visual order ladder**. These features give users a high degree of control and flexibility in executing their trading strategies.

**Drag-and-Drop Functionality:** This is a unique feature that sets Perpex apart from other DEXs. Users can execute trades simply by **dragging** and **dropping** on the **visual order ladder**, making the trading process intuitive and user-friendly.

**User-determined Step and Quantity Sizes:** This feature allows users to **customize** their trading experience according to their specific strategies and **risk appetite**. They can determine their own **step** and quantity **sizes** for greater **precision & control** over their trades

**Perpetual Futures Contracts:** Perpex provides users with the opportunity to trade perpetual futures contracts. Unlike regular futures, these do not have an expiry date, offering users more flexibility for high-leverage speculation and hedging.

**Community Governance:** In line with the spirit of DeFi, Perpex adopts a DAO governance model. This model gives users a stake in the platform's future, fostering a strong sense of community and collective ownership. DAO token holders are incentivized through trading fee discounts, further cementing the platform's commitment to its user base.

**User Interface:** Perpex's user interface is designed to be clean and intuitive. The platform combines traditional trading features with **innovative tools** to provide users with an efficient and engaging trading experience.

Perpex has many features which aren't even available on other centralized and decentralized exchanges. The development team has experience with traditional markets and has seen trading that has never migrated to crypto. Not only that but more features in mind that traditional markets don't even have. The project advisor Romano (@RNR\_0), applies a decade of crypto trading expertise to the design process.

**The Perpex product features include:**

- Trading directly from the order book
- Placing bulk Limit orders by clicking on the order book
- Visual order ladder
- Drag-and-drop
- User predetermine step and quantity size
- Pre-defined Take Profit, Stop Loss with Limit and Market orders
- Multi-select feature for managing limit orders
- Multi-updating of Take Profit and Stop Loss orders
- Adding widgets on the home screen that free move across the interface
- Tab feature for creating multiple portfolios
- Managing multiple trading accounts by easily switching
- Placing hidden limit orders

Perpex's product innovations are designed to enhance the futures trading experience, offering a unique blend of traditional trading principles, advanced blockchain technology, and user-centric design. These features, coupled with the advantages of StarkEx protocol, aim to create a more accessible, efficient, and profitable trading environment for all users.

# Environmental Factors

The crypto industry experienced a series of bankruptcies that affected centralized platforms like FTX and Celsius. As a result of the collapse of FTX, there was a rise in trading activity on decentralized exchanges, indicating a preference for self-custody and decentralization over centralized exchanges for asset protection. The failure of centralized exchanges has put decentralized exchanges in a better position, and there is room for on-chain derivatives trading to expand in comparison to centralized exchanges.

In March 2023, the derivatives trading on Centralized Exchanges (CEXes) was 2.5 times greater than the spot trading. However, on Decentralized Exchanges (DEXes), derivatives trading accounted for only 50% of the spot trading volume. This indicates a potential demand for derivative trading on-chain. In response to Ethereum's scaling challenges, Layer 2 solutions have emerged as a viable option.

Blockchain technologies, specifically those based on Proof of Work (PoW), have been under scrutiny due to their high energy consumption. At Perpex, we acknowledge these environmental concerns and have taken measures to ensure our platform is as energy efficient and sustainable as possible.

Firstly, by leveraging Layer 2 solutions like StarkEx, we significantly reduce the energy consumption associated with each transaction. Layer 2 solutions operate "on top" of existing blockchain platforms and increase their scalability and efficiency, leading to fewer overall transactions on the main blockchain. This means less computational power and energy are needed, which helps reduce the environmental impact.

StarkEx utilizes ZK technology to provide fast transactions cheaply. As of April 18, StarkWare had more TVL than any other ZK scaling solution. During this same period, [dYdX](#) had approximately 63% of the [TVL across the StarkWare ecosystem](#). DYdX also accounted for [63% of the decentralized derivatives market share](#) in March. Yet dYdX is transitioning to its own app chain on Cosmos, stranding some users dedicated to Ethereum and comfortable with the StarkEx experience

Furthermore, we have decided to align our platform with blockchains that are moving toward more sustainable consensus mechanisms like Proof of Stake (PoS). PoS blockchains are much more energy-efficient than their PoW counterparts. We believe that aligning ourselves with these environmentally friendly technologies is crucial, not only for sustainability but also for the long-term success and acceptance of our platform.

Finally, we are constantly exploring partnerships with green energy initiatives and companies. By doing so, we plan to offset the carbon footprint associated with the operation of our platform.

## **Competitors**

In terms of potential competition, Perpex has identified two projects.

One is dYdX, which has achieved high popularity as evidenced by its TVL. dYdX is a prominent player in the decentralized derivatives exchange market, dYdX boasts a high total value locked (TVL) and a loyal user base. However, it is transitioning to its own app chain on Cosmos, which may leave some users, particularly those committed to Ethereum and the StarkEx experience, behind. This opens up the door of opportunity for Perpex to cater to these users and take over a portion of dYdX's market share.

ApeX is a decentralized derivatives exchange operating on StarkEx. Perpex will maintain a substantial market share despite this competition by attracting users to our UX/UI.

Our unique UX/UI and the specific product innovations Perpex offers can set it apart and draw users in. A distinct focus on a superior UI for leverage trading with the speed and ease of submitting multiple orders with precision and defined quantity size for risk management in this high-pressure trading environment gives Perpex a competitive edge over ApeX.

# Go-to-Market Strategy

The foundation of the Perpex go-to-market strategy is partnerships and clear market segmentation.

The partnership between Perpex and StarkEx is a crucial element in Perpex's go-to-market strategy. StarkEx's reputation, market presence, and connections with liquidity providers are highly valuable assets that will enhance Perpex's entry into the market. By teaming up with StarkEx, Perpex can benefit from its network and resources, allowing it to establish a strong position in the competitive DeFi industry.

In addition, we partner with traders to facilitate a successful launch and attract a sizeable user base.

Perpex's cutting-edge UX/UI and unique trading features are central to its value proposition. Showcasing these innovations through demos, interactive tutorials, and feature highlights will be crucial in capturing user interest and demonstrating Perpex's competitive edge.

By maintaining an active presence in the community, social media platforms, and community events, Perpex can foster a loyal community of users. Engaging with the community through AMA sessions, user surveys, and timely updates can reinforce users' trust and commitment to the platform.

To attract liquidity providers, Perpex plans to offer compelling incentives, such as trading fee discounts for DAO token holders. This strategy aligns with the platform's commitment to decentralization and community involvement.

At Perpex, our goal is to achieve swift user acquisition and platform expansion through strategic partnerships, focused marketing, and a strong emphasis on community engagement and incentives.

## **Partnerships**

StarkEx is partnering with Perpex to support the exchange's launch. We intend to leverage StarkEx's marketing reach and relationships with liquidity providers. Additionally, Perpex has two influencers on its projects team, 0xAA, and Romano. As of June 2023, 0xAA has 65K followers on Twitter and is a key opinion leader on the Chinese social media application WeChat. Romano has 101K followers on Twitter. The two advisors will help ensure the project launch succeeds, engaging a wide range of potential users and liquidity providers.



## Market Segmentation

Perpex has planned market segmentation for its launch and marketing, targeting power users and Chinese and European markets. The application is designed to be easy for the average user, but features like bundled trading appeal to power traders. Therefore messaging will highlight how the Perpex UI/UX makes it easier to trade high volume and manage complex configurations of orders.

## Project Team

The Perpex project team draws upon a diverse skillset and benefits from a range of connections within the web3 industry.

- **Niffo** – Niffo is a seasoned full-stack web developer with over 10 years of experience and is known for his expertise in developing and launching the successful crypto trading terminal Bihast. Before venturing into crypto, Niffo excelled in the affiliate marketing industry and founded other companies, including a hotel booking comparison website and an online retail diamond platform. With a keen eye for detail and a passion for delivering exceptional user experiences, Niffo continues innovating and driving web development results.

- **Romano** – [Public figure](#) within the web3 space with 10 years of experience analyzing, writing about, and contributing to crypto projects. He regularly writes for his independent [Medium](#) and [newsletter](#) on the topics of derivatives trading, investing, cryptocurrency, stocks, forex, options and volatility. Programmer and sysadmin.