degen.

PROTOCOL

INTRO ▶

Degen is a decentralized protocol for margin trading with liquidity providers. Any LP, any pairs, any leverages - all is customizable. The protocol will be launched on both BSC and the Ethereum chain. Features will vary between the two versions along with their respective fee structures.

ROLES ※

There are 4 key roles which users will be able to participate in on the Degen protocol, respectively:

Traders

Traders utilize the tokens in pools, attempt to turn a profit and return them to the pool with fees.

Stakers

Stakers are an integral part of the Degen community who wish to own a part of the pie. They can stake their tokens, play a role in governance and earn profit on each platform trade.

Lenders

Lenders may not wish to trade, but still desire a way to earn profit. They provide tokens to pools for trades and subsequently are awarded fees for each pool trade.

Pool creators

Pool creators are token owners or crypto enthusiasts. They can add any trade pair pool to the Degen protocol and promote it to traders and lenders.

HOW IT WORKS ?

Trader workflow

Choose a trading pair, then choose the margin pool by rating, liquidity, lenders interest, and open positions. Able to make use of stop loss and take profit functionality.

Lender workflow

Not satisfied with AMM pool interest? Deposit your money to a margin bi -pool. Earnings are independent of trader's profits or losses.

Staker workflow

Want to compound more tokens? Stake it, and receive DGN for each trade.

Pool creator workflow

Anyone can create a margin trading bi -pool on Degen Protocol. During bi -pool creation the creator can customise the pool ’s settings: creator fee, lenders fee, max leverage, pool max utilization, along with lenders day interest. Then anyone can start margin trading that pool.

SOLUTION & ARCHITECTURE

At the core of the Degen Protocol is the bi -pool.

A bi-pool is a pair of liquidity pools. For example, an ETH/USDC bi -pool is a pair of an ETH pool and a USDC pool. We are using bi-pools in order to provide enough liquidity for every pair. It is not possible to mix existing pools for different pairs because of the potential vulnerability of undiscovered tokens. So to protect users from malicious pool creators, we make use of bi-pool creation instead of using existing pools.

A bi-pool is a smart contract for margin trading. It allows the creation of a new bi -pool for the desired UniSwap or other AMM pair. Bi-pool creators can set the following parameters:

- Trading pair
- 0-100% to pool.
- 0-100% to lenders day interest.
- Leverage
- Utilization

Any pool has fixed parameters:

BSC
- 0.1% to DGN stakers.
- 0.1% to UMX stakers.
- 0.05% to team.

ETH
- 0.2% to UMX stakers.
- 0.05% to team.

Total trading fee can be up to 100%, of which 0.25% is fixed for the protocol. There can be many pools with different settings for the same AMM pair, therefore users are able to pick and choose between them. After a bi-pool is created, lenders can add funds and earn interest. Lending is covered by LP tokens emission. Usage fee is returned to the pool and can be withdrawn during LP tokens return.

MARGIN TRADING ₪

When a user opens a position, a commitment and a liquidation fee are frozen in his balance. Commitment size depends on the leverage. If the position has a loss more than the commitment size, the smart contract allows anyone to liquidate the position and take liquidation fee. At any time a user can add additional commitment to the position to prevent liquidation. When the user closes the position, commitment and liquidation fee are returned to the balance.

Users can use stop loss and take profit functionality during the opening of a position. It allows the user to have more control of the risks of volatility. The same mechanics as a liquidation are used. Liquidation fee i s also paid for stop loss or take profit.

The liquidation fee is fixed for the trade and can be changed depending on the gas price. This fee is made changeable to provide an incentive for users to liquidate positions.

BSC

Degen Protocol takes a trading fee. It can be paid in any token, but it will always be swapped to DGN. So users have an opportunity to pay fees in DGN directly, which will save gas fees for token swapping. This constantly drives buy pressure, which results in a positive feedback loop where staking rewards actually increase due to the rising DGN value.

ETH

Degen Protocol takes a trading fee. It can be paid in any token, but it will always be swapped directly to ETH.

GAS OPTIMIZATION & LAYER 2 ɓ

We plan on using L2 for swaps and synthetic trading along with gas token for expenses optimization. Polkadot/Substrate is our current pick but subject to change during further development process. Of course with the Binance Smart Chain compatibility users will be able to choose between that and L2 for the best user experience.

FEE DISTRIBUTION ₣

Fees from trading are sent to both DGN and UMX staking contracts. **BSC/ETH**

BSC - 0.1% to DGN stakers
BSC - 0.1% to UMX stakers **ETH - 0.2%** to UMX stakers
BSC - 0.05% to team **ETH - 0.05%** to team

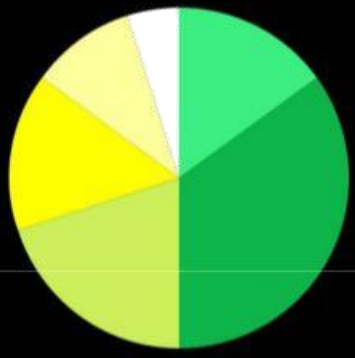
On top of this, 0.05% of **unimex.trade** fees go directly to a buyback and burn contract which purchases DGN and burns it.

GOVERNANCE ψ

Decentralization is a principle which Degen endeavours to uphold. So all the updates are regulated by governance using voting via the DGN token.

TOKENSALE & TOKENOMICS $

DGN - 1M max supply



50% 500k DGN:
20% 200k DGN Seed round 0.003 eth per token
30% 300k DGN Public sale 0.0033 eth per token

20% 200k DGN PancakeSwap listing 0.0036 eth per token
15% Split between traders and referral rewards program
10% Swap for YIELDX(5% day 1, 5% after alpha release)
5% Airdropped to UMX stakers

REFERAL PROGRAM Я

5 level referral program for number of trading transactions. Every week a share of reserved tokens will be distributed to users. If a trader has a referral, both receive half of the reward. If a trader doesn't have a referral, no rewards at all. Detailed referral program information will be published on **degen.trade** .

ROADMAP

Q1- Q2 2021 - V1 Release

Q2 2021 - Governance

Q3 2021 - Additional AMM Integration

Q4 2021 - Synthetic Derivatives