

# Omen Squad Activity - Update

[As of mid January 2021]

Omen Squad activity and learnings over the past 2 months.

Omen Squad participated in five markets with the intent to begin experiencing the process of how DXdao can leverage its assets in order to help make its products more successful.

Providing liquidity to markets that can draw interest and attraction to Omen is important.

You can find a link to the activity here:

<https://gateway.pinata.cloud/ipfs/QmfJaFkZrGUBBXdoi2tw93cqP6voUfw6Li1oKb2hw3gVaB>

There are a few goals with Omen Squad:

- 1) Learn how a decentralized collective can use its capital to support and grow its products
- 2) Grow awareness and usage of Omen
- 3) Improve the product and UX
- 4) Earn profit for DXdao

Summary

- 1) Liquidity was provided to the two “ETH 2.0 Genesis Event” impact markets (one in WETH and one in USDC) as these were high profile markets. The outcome became known quite suddenly, and the “Yes” outcome was reached rather quickly. This can happen with most markets, which is a big risk to LPs.
- 2) Liquidity was provided to one ETH price market, which ended up being a success.
- 3) Liquidity was provided to important “Halt the Bonding Curve proposal” impact markets (one in DXD and one in DAI) to learn about the event’s effect on the price of DXD. This was quite interesting to see. Due to an overtime of the proposal, the markets became invalid. This in itself was a learning that extraordinary events have the ability to extend markets in certain cases. With this specific scenario, because of how the proposal system works, there is always a risk of continuous overtimes, making markets on DXdao proposals risky.
- 4) Liquidity was provided (currently) to three markets that were winners of the **Community Competition for Omen Markets - Batch #1**:  
<https://gateway.pinata.cloud/ipfs/QmT5fDqhqcERfy1b5AmHpfVSmnE8fGuGxuTFuA1gQqEvj>

Learnings:

- 1) Providing liquidity is a skill
- 2) Being able to move fast is important
- 3) Higher fee seems appropriate (4% probably better than 2%)

- 4) Gnosis Safe, Contract Proxy Kits, Omen, updates to one piece all combine to make this scenario a quite complex activity. Making sure everything works is still a work in progress.

Successes:

- 1) Omen Squad was profitable on 3 out of five markets
- 2) The “ETH 750 Year-end” market was quite successful, most likely for a few reasons.
  - a) The fee was set at 4%
  - b) The volume traded was about 7x the amount of liquidity provided.
  - c) The outcome of the market had some good volatility and then stayed close to the middle (between 30-65%) as we neared the ending.
  - d) The market settled in the direction of the initial position that Squad had

Going Forward:

- 1) Continue to work toward the for Omen Squad goals
- 2) Expand activity onto Omen xDai
- 3) Use more funds
- 4) Run more Omen Market Competitions
- 5) Expand Omen Squad and merge with community
- 6) Work towards becoming functioning Omen Guild