

# Predix Network: A Prediction-Based Reward System v1.1

PREDIX NETWORK TEAM

## Abstract

Predix Network is a prediction-based reward system on the Ethereum blockchain powered by *PRDX*, a price-reactive deflationary stakable ERC20 token. *PRDX* supports a tiered staking mechanism where users are placed in different staking tiers based on the staking size. *PreDex* is a prediction market powered by Predix Network and its native *PRDX* that allows for transparent and non-custodial leveraged predicting on Uniswap pairs. By its specific way of handling leverage and risk users can make leveraged predictions while only risking a default percentage of the prediction value. Instead of supporting a few preset timescales as seen with many prediction markets, *PreDex* supports customizable time intervals using theta decay. With liquidity incentives *PreDex* allows for users to get rewarded for showing proof of liquidity while simultaneously strengthening the underlying Uniswap pair against price manipulation.

## Introduction

A common phrase in the cryptocurrency community is: “Not your keys, not your tokens”. Despite this important motto, the far majority of the trading volume is still performed on CEX’s (Centralized EXchanges). However, in recent months, DEX’s (Decentralized EXchanges) have been uprising with one exchange in particular; Uniswap v2. With the rise of Uniswap v2 countless trading pairs have been created where one can start trading in an entirely decentralized manner with the click of a button.

Trading these pairs can be difficult and risky as anyone can create a pair and information on them can sometimes be hard to find and/or understand. Besides, because of its decentralized nature, no orderbooks are available all the while orderbooks are a popular and powerful tool for traders to analyze other market participants to gain an advantage over them. Predix Network introduces *PreDex*, a prediction market for users to publish predictions (their thoughts on future price movement of the pair) to the Ethereum blockchain and get rewarded handsomely when they are right, all powered by its native *PRDX* token. As the Ethereum blockchain is inherently transparent, all predictions are public for one to see, creating a trustless and decentralized way for traders to get insight into what other traders are doing.

This whitepaper explains the different parts of the Predix Network, which workings can all be fully verified on the Ethereum blockchain<sup>1</sup>.

## Release Schedule

The following list provides a time schedule for the release of the different parts making up the Predix Network.

- September 5, 2020: Initial Distribution Start
- September 12, 2020: Initial Distribution Stop + Staking Start + Uniswap listing
- Mid October, 2020: *PreDex*

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<sup>1</sup>The code of the smart contracts are all verified on etherscan, see <https://predix.network> for the contract addresses

## PRDX Token

The native token of the Predix Network is *PRDX*, a deflationary and stakeable ERC-20 token. Through the working of its staking properties and the prediction market, *PRDX* is slowly awarded to users while also getting burned by the prediction market, causing the total supply and circulating supply to converge asymptotically to a steady-state. The token properties are listed below.

- Initial Total Supply: 1,600,000 (1.6 million)
- Decimals: 18
- Ticker: *PRDX*
- Name: Predix Network
- Contract address: T.B.D.

## Token Distribution

At inception, all 1.6 million tokens are created. The initial distribution of these tokens can be seen in figure 1.

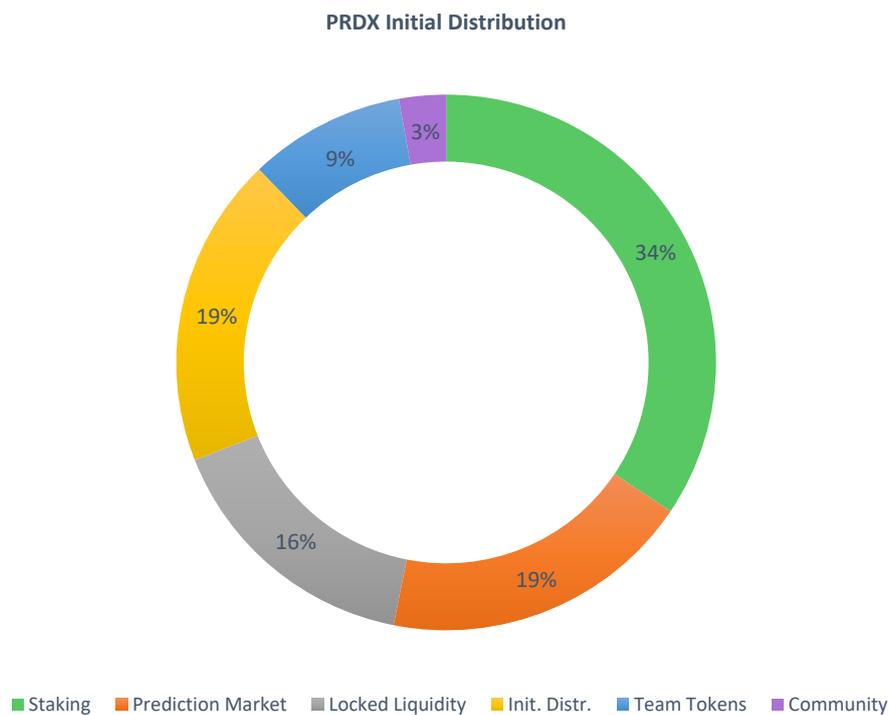


Figure 1: Initial *PRDX* distribution. Note that these numbers are suspect to change depending on the amount of tokens sold during the initial distribution; leftover tokens are added to the staking- and prediction market contracts. Of all the tokens, the Predix Network Team gets only 9% of the tokens which are divided by 5 team members. The tokens are locked up and get released 10% every month, starting the second month after release.

As can clearly be seen in figure 1, a vast majority of the tokens are locked up right from the start. Most tokens will be in the staking contract, the prediction market and locked up for liquidity for the Uniswap trading pair *PRDX/ETH*.

The tokens from the staking contract are locked and can only be redeemed in the form of staking rewards, explained in the “Staking” section. The tokens from the prediction market are locked and can only be redeemed in the form of winning predictions and will be burned if predictions are too far off, explained in the “Prediction Market” section. Of the tokens sold in the initial distribution, 85% will be matched with the tokens reserved for providing liquidity, which will then be locked for two months to ensure liquidity. The other 15% of the tokens will be reserved for the community and the 15% of the ether goes put into a developers fund.

## Initial Distribution

The initial distribution is done in a fair and decentralized manner in which users always have the option to opt-out the initial distribution by selling their tokens to the initial distribution for the same price as the buying price. This makes our initial distribution unique as users can exit the initial distribution at any time without making a loss <sup>2</sup>.

The initial distribution starts on September 5, 2020. A clean and easy-to-use front-end is provided on our website: <https://predix.network>. The user enters the amount of ether they want to buy *PRDX* for and the front-end calculates and shows immediately how much *PRDX* you will receive. To use this front-end, a web3 compatible wallet like MetaMask is required. It is of course also possible to directly call the smart contract.

Below, some key points of the initial distribution are listed:

- Initial Distribution Start: 5 September, 2020, 02:00 PM UTC
- Initial Distribution End: 12 September, 2020, 02:00 PM UTC
- Goal: 600 ETH
- Tokens Available: 300,000 *PRDX*
- Buy/Sell Price: 0.002 *ETH/PRDX* (1 *ETH* = 500 *PRDX*)

## Staking

On the Predix Network, a one-click staking solution is realized with the help of smart contracts. A separate smart contract fueled with *PRDX* (see token distribution) to reward for stakers is available from 12 September.

Staking rewards are determined based on a leveled system, consisting of three levels. See table 1 for details. When staking, the tokens will be held inside the staking smart contract but can be redeemed at any time.

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<sup>2</sup>This does not include paid transaction fees in the form of ether.

Level	Min. <i>PRDX</i> amount	Weekly	Monthly	Yearly
Lvl. 1	50	0.25%	1.00%	13.9%
Lvl. 2	500	0.50%	2.00%	29.6%
Lvl. 3	5,000	0.85%	3.44%	55.3%

Table 1: Staking rewards for different levels. For a staking level of 1, a minimum of 50 *PRDX* is required. For level 2, a minimum of 500 *PRDX* is required. For level 3, the highest level one can achieve, a minimum amount of 5,000 *PRDX* is required. All staking rewards are compounding, meaning that one earns interest over the previous earned interest.

## PreDex

See the dedicated PreDex whitepaper at <https://predix.network/predex.pdf>.

## Future development

Although already providing a lot of different ways to interact with PreDex, Predix Network is aiming to build a more generalized and decentralized prediction market protocol in the future. This protocol will allow the user to start a decentralized and customizable prediction market for any Uniswap pair they want by providing liquidity to the prediction market.

### User generated custom prediction markets

In the current system, Predix Network will facilitate the listing of new prediction market pairs. However, the PreDex contract holding the *PRDX* paid out as rewards will slowly run out and eventually stop. To continue the prediction markets, a more decentralized way of prediction market pair listings will be transitioned to as the reward pool slowly runs out. In this protocol, the users themselves will be able to make a customizable prediction market and provide rewards for users to win. The prediction market maker will receive the fees and losses made on the prediction market. Prediction market makers will thus customize the parameters of the market as to make it attractive for users to make predictions but will ultimately be profitable for the prediction market maker himself. However, this works both ways; users won't use prediction markets that have a bad risk/reward ratio. Naturally, an equilibrium will arise where both parties have fair chances.

This also allows for new projects to list their token on the prediction market by simply providing liquidity to their prediction market.

### Custom tokens

Although it is possible to make a prediction directly with ether<sup>3</sup>, Predix Network is aiming on building an even more general system where users can set their own deposit and reward token for that specific market. This would allow users to create prediction markets where the deposit token (the token with which they pay to make the prediction) will be different from the reward token.

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<sup>3</sup>*PRDX* is bought on Uniswap with the ether provided.

## **DEX integration**

With the rapid rise of new technologies in the DeFi-space, it is important to provide users with the most popular decentralized exchanges. Predix Network aims to implement multiple DEX support in the near-future as to not limit users to Uniswap. The focus will be on larger exchanges like SushiSwap, MooniSwap and Balancer as well as DEX's on other blockchains like Serum.

## **Disclaimer**

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