

Forum:[Hack Forums](#)

Thread: [GMX just listed on Binance](#)

Koyote - October 5, 2022, 2:14 am

Until today, I always thought GMX was the email service and nothing else but today I got an alert to a new listing on Binance for GMX. According to CoinGecko:

GMX is a decentralized spot and perpetual exchange that supports low swap fees and zero price impact trades.

Trading is supported by a unique multi-asset pool that earns liquidity providers fees from market making, swap fees, leverage trading (spreads, funding fees & liquidations) and asset rebalancing.

Dynamic pricing is supported by Chainlink Oracles along with TWAP pricing from leading volume DEXs.

<https://gmx.io/> is their website, and while it seems nicely designed it doesn't stand out or feel like anything groundbreaking.

Anyone have any first hand experience with this one?

Trading at \$53.93 at the time of posting.

SUI-3183372 - October 5, 2022, 7:20 am

Has GMX figured their shit out with zero price impact trades? It's a complicated mechanism to set up, and so far I know of it being exploited twice, both times after GMX have been warned that its exploitable.

I actually had no idea that GMX is related to the email service. I see it coming up more and more on Twitter, has a very active shilling community, however I'm seeing it come up more and more for negative reasons as well, generally revolving around their zero price impact trading.

Copy and pasting a Twitter thread I read a couple weeks ago:

Quote:DO NOT HOLD #GLP TOKENS! You are at RISK to lose all your money on #GMX!

Price manipulation allows a skillful trader to siphon all the liquidity from GMX due to no price impact.

? Someone just made \$1 mil manipulating #AVAX price on GMX using this attack vector

2/ GMX exchange has a fixed price for assets fed by an oracle.

If you long or short any size on GMX, there is no price impact!

So the trader takes both a long & a short on GMX and then manipulates the price on CEX like Binance/Coinbase.

Once done, he pockets the profits. ?

3/ Those profits are the liquidity provided by #GLP holders.

You provide ETH, BTC + stablecoins to GMX dex in exchange for GLP tokens.

If traders make profit, the liquidity providers lose. If traders exploit this vulnerability, the GLP holders may lose all their money!

More ?

4/ This exact scenario was presented a few weeks ago. Now it happened. ?

Off-site price manipulation can liquidate GLP holders & GMX dex!

This issue has caused the team to have to manually intervene to prevent large losses of funds, which isn't a good look.

Koyote - October 5, 2022, 7:25 am

(Oct 5, 2022 07:20 AM)BV1 Wrote: [\[CITE\]](#) Has GMX figured their shit out with zero price impact trades? It's a complicated mechanism to set up, and so far I know of it being exploited twice, both times after GMX have been warned that its exploitable.

I actually had no idea that GMX is related to the email service. I see it coming up more and more on Twitter, has a very active shilling community, however I'm seeing it come up more and more for negative reasons as well, generally revolving around their zero price impact trading.

I'm not sure if it's actually linked to the email service, as some articles I've read say it's an offshoot from the team that developed it and another saying it has no tie whatsoever. A bit confusing! I've gone down the rabbit hole today and seen a lot of shill posts and a lot of complaints too, so I feel it's one of those projects that in't likely to generate much legitimate momentum because so much so far is artificial or negative.

As for the zero price impact trading, I don't see how that's going to work long term and, as you say, it's been exploited fairly easily so thus far. Going to keep an eye on this one regardless though just out of curiosity more than anything else.

SUI-3183372 - October 5, 2022, 7:28 am

Another example:

Quote:GMX allows you to long \$ETH with 52 million dollars whilst not moving the price of \$ETH at all. It then also allows you to short \$ETH with \$20 million again with no price impact.

So a big \$ETH whale who is familiar with \$GMX can simply buy \$50M of ETH via GMX, then go to a couple of the big CEXes like @binance and @FTX_Official and buy up say \$40M of ETH on these exchanges and move the price roughly 2% up?

Their average CEX buy price would probably be around \$1570 for their \$40M of ETH.

Then they could close their \$50M GMX long for \$1M profit and open a \$20M ETH short on GMX. Then sell their \$40M of ETH back on the CEXes and close their short for another \$400k in GMX

profit.

The sell price would probably be a bit lower than for buying, say an average of \$1560. And they would have fees on these CEXes as well as well as on GMX.

But this \$10 gap would only cost them about \$250k and the CEX fees probably another \$80k and GMX fees \$140k.

Thus, I would estimate the costs of this price manipulation to be below \$500k, yet the return to be around \$1.4M for a total profit of \$900k in mere minutes.

And they can do this over and over again. Till \$GLP is drained from a lot of \$ETH. This would have been very, very bad.

<https://twitter.com/derpaderpederp/status/1566029377820819458>

The above got played out with AVAX rather than ETH a week or so later.

I know these threads have prompted changes, lowering of caps and such, but from what I understand its still not enough to stop a well motivated and well funded attacker.

Koyote - October 5, 2022, 7:32 am

(Oct 5, 2022 07:28 AM)BV1 Wrote: [\[CITE\]](#) Another example:

<https://twitter.com/derpaderpederp/status/1566029377820819458>

I know these threads have prompted changes, lowering of caps and such, but from what I understand its still not enough to stop a well motivated and well funded attacker.

Very bad indeed. Am I correct in thinking that the same could be achieved with a lot of dedicated attackers all operating with the same intentions at the same moment, all buying up to the limit individually?

SUI-3183372 - October 5, 2022, 7:35 am

(Oct 5, 2022 07:32 AM)TheCuriousCoyote Wrote: [\[CITE\]](#) Very bad indeed. Am I correct in thinking that the same could be achieved with a lot of dedicated attackers all operating with the same intentions at the same moment, all buying up to the limit individually?

We'd have to get a better understanding of the new limitations GMX have put in place to combat this. What I've heard is yes, but likely to a [much] lesser degree than what was possible 1 month ago.

Koyote - October 5, 2022, 7:36 am

(Oct 5, 2022 07:35 AM)BV1 Wrote: [\[CITE\]](#) We'd have to get a better understanding of the new limitations GMX have put in place to combat this. What I've heard is yes, but likely to a [much] lesser degree than what was possible 1 month ago.

Interesting, will need to do some more digging on this I think. Thanks for the comments and observations here!

SUI-3183372 - October 5, 2022, 7:40 am

(Oct 5, 2022 07:36 AM)TheCuriousCoyote Wrote: [\[CITE\]](#) Interesting, will need to do some more digging on this I think. Thanks for the comments and observations here!

You should be able to find a fair bit of relevant content by searching 'gmx price impact' on Twitter.

th3c0rrupt3d0n3 - October 5, 2022, 9:18 am

(Oct 5, 2022 02:14 AM)TheCuriousCoyote Wrote: [\[CITE\]](#) Anyone have any first hand experience with

this one?

Buy GLP to get the rewards. Buy GMX if you wanna speculate on the platform itself. Compound weekly and forget about it :)

Omniscient - *October 5, 2022, 10:30 am*

Listing on Binance doesn't do as much anymore for a crypto.