

## **Welcome to the Microtick testnet.**

Thanks for offering some of your valuable time to help us test and validate this new platform. Your thoughts and feedback will help us answer two crucial questions as we move Microtick towards production:

- Do its fundamental economic incentives and game theoretical mechanics hold up to multiple incentivized participants?
- Are there any major obstacles hampering basic usability?

Let's dig in.

### **WTF is Microtick?**

At a high level, Microtick is a new way of achieving price discovery for all manner of assets. It's also a new type of oracle: a way to feed knowledge about real-world conditions into the blockchain.

There are two major differences between Microtick and traditional exchanges:

#### **1.) There is no order book or spread.**

Instead, there is only one price that's derived from the interplay between market makers and traders. The fancy term for this is "global consensus."

On traditional order book platforms, market makers set between the bid and ask and derive profits from the difference. This is not the case with Microtick, where the role of market makers is to provide their own assertions about the price of an asset. The lack of a spread mitigates the possibility of various price manipulation tactics (such as front-running) and also tends to produce better prices for traders.

#### **2.) You can enter leveraged trades on a very short timeframe.**

Put and call options have existed for decades. Typically these have monthly timeframes. What's unique about microtick is that you can enter these options for much shorter quote durations: 12 hours, 1 hour, 15 minutes, or even 5 minutes. This granular timeframe is why the platform is called "Microtick."

Short-term options offer a new way to profit from even the tiniest of price movements. Leverage for all trades is targeted at 10X.

## **Meet the Two Microtick Participants:**

*Market Makers:* These are the people (or bots) who are feeding “quotes” into the platform. Market makers are incentivized to provide timely and accurate assertions about an asset’s price. Along with an assertion about what the real-world price is, they also supply “backing” in the form of an on-chain token. This is their skin in the game; if their quote is inaccurate they stand to lose some or all of this backing through the counterparty market action of honest participants.

*Traders (that’s you!):* These actors play the role of counterparty. They observe what the market makers are saying about the current price, and trade based on those observations. Traders can buy Call options (when they expect the price to rise), and Put options (when they expect the price to fall).

There are two ways you can approach trading:

### **Take a look at what’s happening on the major exchanges, and compare it with the Microtick price.**

Let’s say Coinbase, Gemini, and Binance are all showing ETH trading at 200.10. However the Microtick price is showing only 199.25. While some lag in Microtick price can be expected due to market maker incentives, this could be a signal to purchase a call option; the Microtick price is likely to move higher in order to reflect what’s happening in the real world.

The inverse would be true if ETH were trading at 200.10 on the main exchanges, but Microtick showed a price of 202.00. In this case, the price of ETH provided by Microtick is “wrong,” and may correct to reflect the true state of the market. The way to profit from this difference is to purchase a put option.

### **The second trading strategy is to simply apply your own outlook on where the market is headed.**

Have a gut feel about the next short-term move? Are you a TA aficionado eyeing a fresh breakout or breakdown? Expecting big news to hit? Buy a Put or Call in order to take advantage of the move you foresee coming.

But wait – there isn't just one Put or Call for every market; there are actually five choices, depending on which timeframe you choose. There are five Quote Durations: 5 minutes, 15 minutes, 1 hour, 4 hours, and 12 hours. The Quote Duration you pick for your option will depend on when you expect the move to occur.

Now that you know the basics, let's take a look at how to actually use the platform.

## A Step-By-Step Guide to using Microtick:

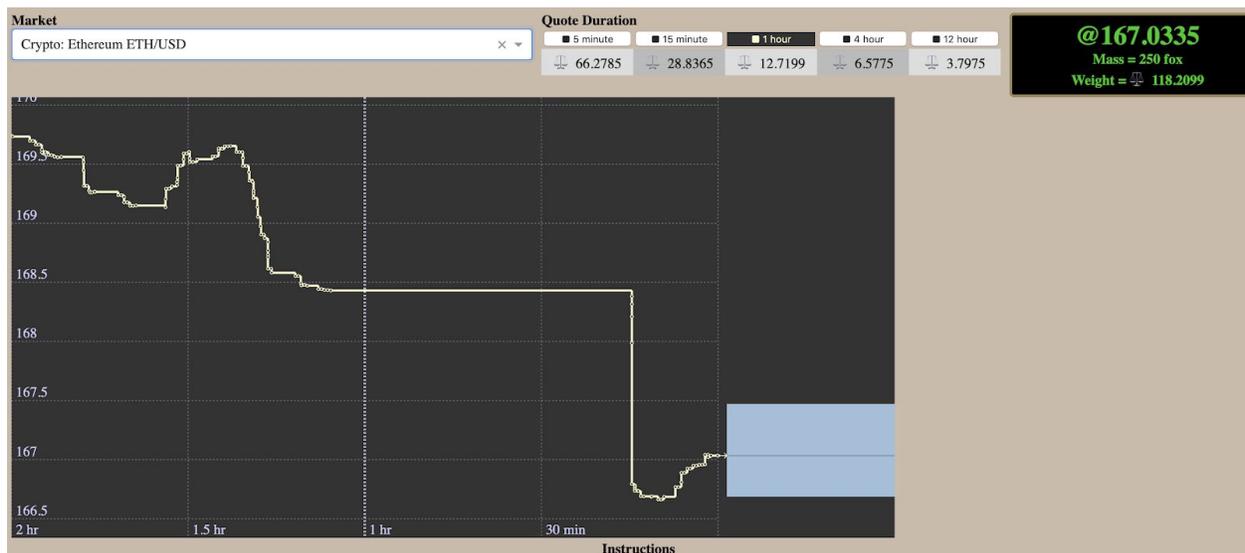
- 1.) Using Chrome, open a new tab. Ensure that any ad-blocking or privacy extensions are turned off.
- 2.) Go to [www.microtick.zone](http://www.microtick.zone).
- 3.) Microtick will automatically create a new account for you. Create a password, save it in onelogin, enter it into the password field, and click "done."
- 4.) You'll now be looking at something like this:

The screenshot displays the Microtick website interface. At the top left is the Microtick logo. To the right are navigation links: Home, Learn More, How To, Try the Testnet, and Contact. Below the navigation is a header bar with two main sections: Chain Information and Account Information. The Chain Information section shows block height (311921) and time (7:32:52 PM), along with a block hash. The Account Information section shows the user's address, token balance (0 fox), and current account value (0 fox). Below the header is a navigation menu with links for TRADING, STATUS, HISTORY, and ABOUT. The main content area is divided into two columns: Place Quote and Buy Call or Put. The Place Quote column contains four numbered instructions for placing a quote. The Buy Call or Put column contains four numbered instructions for buying a call or put option. At the bottom of the page is a copyright notice: Copyright © 2018-19 Microtick LLC.

[Head over to our Telegram](#) and request 1000 FOX for the address that's been created for you. We'll provide you with these testnet tokens and you can be on your merry way.

5.) Take a look at the upper right where it says “Account Information.” You’ll notice your unique MT address, as well as a Token balance of 1000 FOX. For the purposes of this testnet, imagine that each of these tokens is a stablecoin representing one dollar. So - you’re starting with 1000 bucks in your Microtick warchest. What will you do with it?

6.) Next, choose what you’d like to trade using the “Market” selector. For the sake of this demo we’ll pick ETH, but BTC and LTC are options as well. You’ll then land on the screen below. This is the meat-and-potatoes interface of Microtick:



Let’s start on the upper left and take a guided tour of this interface. Here, you see the market you’ve selected. To the right is Quote Duration. This is a crucial aspect of trading: before buying a put or call, you’ll want to choose a corresponding duration. If you’re looking to capitalize on a very short-term fluctuation, a 5 or 15 minutes is a good choice. 1 hour or 4 hours is a good choice for intraday fluctuations, while 12 hours is better for a longer swing-trading approach.

Remember: you have 10X leverage, so even a small movement on a small timeframe can lead to sizeable profits (or losses).

The scale icons with numbers next to them show the collective quantity available (or “Weight”) for each time duration. (Don’t worry about sufficient “liquidity” for now; there’s plenty on the testnet!)

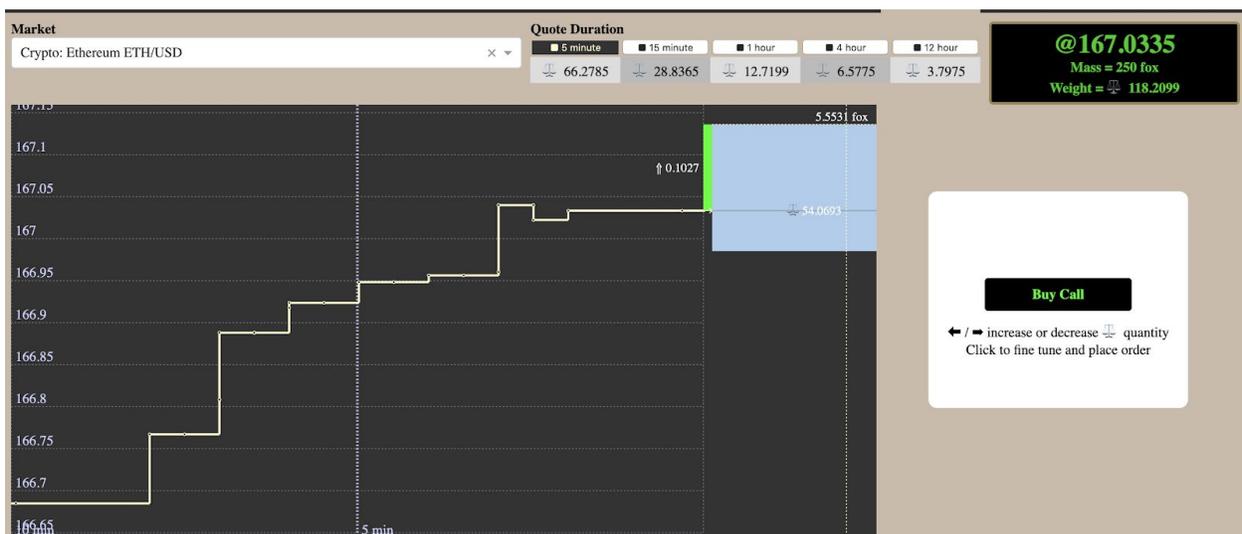
Continuing our tour, you'll see the price of ETH on the upper right. This is the final outcome of Microtick: it's the single price that's produced as a result of traders and market makers interacting with one another.

You'll also see indicators for "Mass" and "Weight." Mass is the amount of skin in the game, in stable coins, that market makers have placed on the market. Weight is a measure of quantity available to trade, and could be higher or lower than mass based on how certain they are. These two indicators are interesting to watch, but shouldn't impact your trading.

The main field in the middle is the usual price/time chart that you're already familiar with. You can change the timeframe of the chart using the selector below. Note that changing the view of the chart does not change the timeframe you're actually trading on; that's what Quote Duration is for.

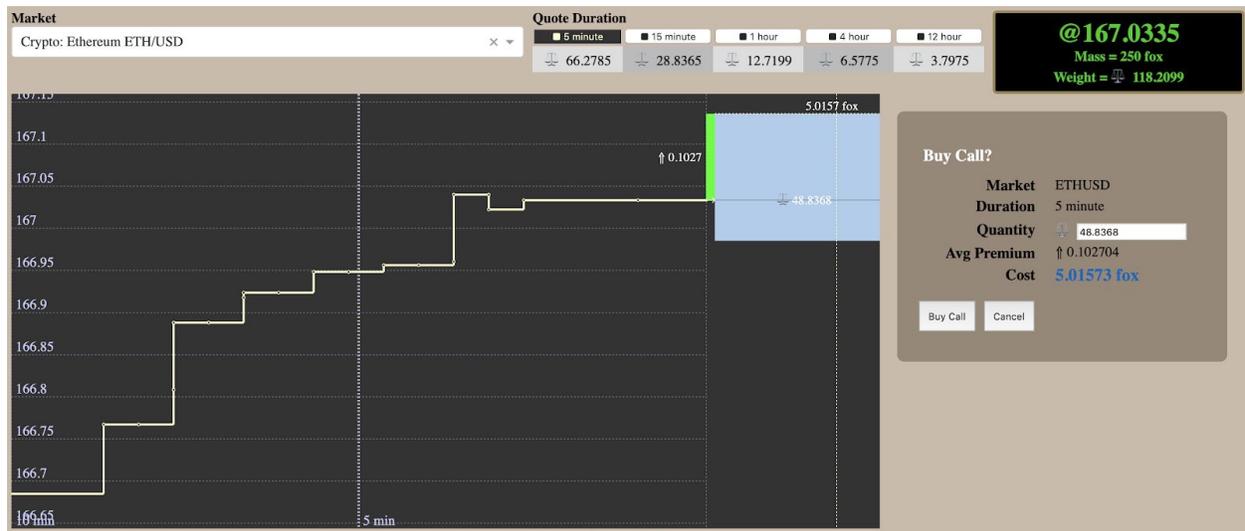
This is all well and good for observing things, but you want to actually earn some gainz. It's time to purchase a put or call.

To get started, take a look at the two blue boxes to the right of the chart. Hovering over the top box will open the "Buy Call" dialog. The bottom box will open the "Buy Put" dialog. Then click the green button to proceed with your order.



You're now looking at the order entry screen. This is where you decide how many "dollars" (i.e. FOX tokens) you want to bet on the trade. To increase the size of your

trade, move your mouse across the box, from left to right. As you do so, you'll see the "Cost" at the bottom increase. In the example below, a trade has been set up with an amount of about 5 tokens.



Once you've chosen the amount you want to place on the trade, double-check your timeframe and hit "Buy Call" (or "Buy Put" for bearish trades). The platform will then process your trade and confirm it within a few seconds.

Once the trade has been confirmed and is live, it'll appear in the bottom of the screen in the "Active Trades" section. This is where you can monitor the progress of your various in-progress trades. Meanwhile, the history view shows your trading and balances over time.

## How to Ask Questions & Give Feedback:

Wondering how something works? Got thoughts on the overall product? Please let us know in our Telegram channel: [https://t.me/microtick\\_general](https://t.me/microtick_general)