HED: Antonio Juliano: Uprooting a Successful Exchange to Explore the Cosmos

DEK: Juliano's dYdX switched from Ethereum to Cosmos in one of the year's biggest blockchain defections. The project has big plans for 2024.

Antonio Juliano's decentralized exchange dYdX could be said to be one of the most successful projects ever launched on Ethereum. In 2021, Bloomberg reported that dYdX briefly overtook Coinbase, the largest U.S.-based exchange, in trading volumes — although the comparison between derivatives and spot trading, which dYdX and Coinbase focused on, respectively, is a bit like apples and oranges.

Still, at its height, dYdX executed billions of dollars worth of trades per day for several thousand users, and was backed by crypto notables including Polychain Capital and Andreessen Horowitz. Which is why Juliano's decision to move the derivatives exchange off Ethereum and into the Cosmos ecosystem, using its own custom-built blockchain, was such a notable decision. It was a huge risk.

This year, Juliano and his team successfully launched a new version of dYdX. This required re-coding the six–year-old project, launching test networks and building an off-chain orderbook, another way the project hoped to scale.

"We can't build something like this on Ethereum," Juliano told CoinDesk in a September interview. Ethereum, of course, has been known for its problems with transaction throughput since its inception. It's why its coterie of coders has been hard at work for revamping the chain — including launching a reworked proof-of-stake backbone, exploring technically complex innovations like "proto-danksharding" and building a plethora of scalable add-ons called layer 2s.

It's also why countless other blockchains have launched to compete with and supplement Ethereum. There's the old guard like Cardano and Polkadot, each built by an original Ethereum founder, and ultra-new chains like Aptos and Sui, built by former Facebookers.

But for Juliano, Cosmos, which is like a blockchain for blockchains, offered the most compelling vision for scalability. "We need more on the order of 1,000-plus transactions per second," he said. Cosmos offered Juliano the customizability he needed to finally achieve his vision for dYdX, which has evolved over the past half decade. This includes building a protocol–specific mempool, to store unfinalized txns, and finding the perfect number of validators, to balance execution and decentralization.

Juliano, a Pittsburgh, PA, native who graduated from Princeton, has been working in the crypto industry since taking his first job out of college at Coinbase in 2015, which he joined because he was attracted by its unusual hiring process. Oddly enough, the way he described it, he only became a blockchain believer after working at the exchange and hearing lectures from industry luminaries like Vitalik Buterin and Polychain's Olaf Carlson-Wee.

He caught the entrepreneurial bug after just a year at Coinbase, and went on to found a search engine for the decentralized web called Weipoint. Juliano admits his first effort was a dud, and estimates it gained less than a dozen users by the time he called it quits. At the time, he was also working at Uber.

"My journey as a founder started with a ton of coding for the first few years, and now mostly CEO-ing. I've loved both parts and especially love my job today. I feel extremely fortunate to work with the best people, on hard and meaningful problems that will drive large change in the world long term," Juliano, who is the oldest of four siblings, told CoinDesk in an email recently.

Today, dYdX has about 50 employees, and is on its fourth version (v4) and second blockchain. It's had some notable ups and downs since jumping chains, including an alleged exploit that led to a loss of [$9 million in an insurance payout](#) as well as a successful governance vote to enable validators to earn a share of trading rewards.

A recent Messari report found that dYdX, the established brand rerooted this year, once again leads in share of market volumes. Though all that scalability and customizability for what? It still suffers from crypto's core complaint: there's only a couple hundred daily, active users.