

2026-03-31 — HOW DECENTRALIZED EXCHANGES (DEXS) WORK — BIP39-PHRASE.COM

Decentralized exchanges (DEXs) are platforms that enable peer-to-peer cryptocurrency trading without the need for a centralized intermediary. Unlike traditional centralized exchanges (CEXs), DEXs operate on blockchain networks, offering users greater control over their assets and enhanced privacy. The fundamental principle behind DEXs is the use of smart contracts, which automatically execute trades based on predefined rules without requiring human intervention.

At the core of most DEXs is an Automated Market Maker (AMM) system, which replaces traditional order books with liquidity pools. These pools are collections of tokens locked in smart contracts by liquidity providers who earn fees from trades proportional to their share in the pool. Traders interact with these liquidity pools by swapping one token for another at prices determined by algorithms that balance the pool's token reserves.

Users connect their cryptocurrency wallets directly to the DEX, enabling secure and permissionless transactions. Since users maintain custody of their private keys, the risk of hacks or theft often associated with centralized exchanges is significantly reduced. Additionally, DEXs support a wide variety of tokens, including those not listed on major centralized platforms.

However, DEXs also face certain challenges. For instance, because liquidity depends on participation from users, some pools may experience slippage or limited trading options. Transaction speeds and costs are linked to the underlying blockchain's performance, which can impact user experience during network congestion.

Overall, decentralized exchanges are reshaping the cryptocurrency trading landscape by prioritizing security, transparency, and user autonomy. They empower individuals to trade directly with one another, reducing reliance on centralized entities and promoting a more open financial ecosystem.

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SEED PHRASE ARCHIVE

1) gaze discover into case hockey program broccoli derive cruise news
desert print

— Part 1 of 4 —

SEED PHRASE ARCHIVE

- 2) flip physical convince circle valid damp fury immune egg garage document door
- 3) jazz tobacco catalog cheese invite zero fruit license wear carry bring meat
- 4) hope beach length eye any truck utility awake ginger river question best
- 5) game load remove tribe enemy runway daughter alone crash robust actual royal
- 6) only canvas skill vapor right step defense mom various bubble hawk enforce
- 7) swift moment other avoid stadium basket ship desk muscle multiply cash since
- 8) manage paper champion match skin field tone task noodle blush kangaroo doctor
- 9) vivid gallery butter loan agent calm group company combine wise slice envelope
- 10) siege alley twelve device shoot winter until expire step paddle foot million
- 11) blossom ginger always panel scale glance theory hello misery peanut orient narrow
- 12) valid bless flee talent quote smile cotton banana protect couple point never
- 13) major alert jazz honey spoil invest must donate roof food brand foil
- 14) captain plastic steel poverty answer route inner plastic normal all connect heavy
- 15) purity lady ranch curtain certain hat rude inmate nest diet fix wisdom
- 16) media wheel use flush caution prize escape merit truck define private harsh
- 17) tank island rigid domain scale when cabin cheese wrong abandon benefit ask
- 18) eight grunt write embody critic ladder limit flame high buddy scare tackle
- 19) theme lunar guess cake oval fence cheese fiscal lottery gasp aerobic client
- 20) chronic other estate bullet ankle reform bread egg start pride inherit issue
- 21) kit asthma dream fresh kitchen simple snack olympic legend surface decade upper

SEED PHRASE ARCHIVE

22) fabric you ozone vintage rail term wedding tissue peanut false dash fit

23) rack excess edge solve silly version dose balance rigid frozen brother garment

24) work brown indoor broken brown mixture move teach negative abandon permit miracle

25) crush acoustic blush cat glove gown index group meadow year happy diary

26) census topic used machine shield equal penalty soccer autumn pioneer flash afford

27) real sudden train spell coach physical amateur onion urge unable employ stable

28) blouse rebuild forest again slush gather blind vessel final explain tumble tragic

29) toilet give drum aware season blue spike tent illness riot belt theme

30) wrist below clip repair ability flag mansion undo club property spike urge

31) double advance detail exchange mesh avoid maple dash middle dial interest detail

32) nest rent hand stand mountain digital toast zebra room copper rather cupboard

33) output now bulb reduce six forum album program cry senior mansion sure

34) put afford puzzle iron tent peanut say cable forest notable pulp chest

35) catch gauge come chicken diamond choose peanut elbow orange virtual front still

36) piece vital rigid display service cage fire foot used laundry future early

37) cushion initial auction bitter harvest wolf cross exhaust minor slide alter scatter

38) smoke describe purpose feature ritual exercise dinosaur frozen acid giant someone client

39) faculty parrot pave fold report acid letter wool expire west segment hazard

40) wave shop cherry olympic hobby vivid coil genius found camera acquire into

41) depend chicken end stock smile narrow drum glow lonely renew armed cart

SEED PHRASE ARCHIVE

42) gaze high allow also screen sunset inner universe accuse stable
raise high

43) edit volcano uphold dynamic indoor someone scare century pet large
neither crime

44) air buyer zoo divert chapter address tide diary fine artist enter
subway

45) awake butter donate gift year surprise select process dice usage
negative afraid

46) trigger cheese kitchen script mammal weird junior owner alcohol
woman frog foil

47) quit father balcony holiday fortune music change cage family stool
front rule

48) fresh fuel ship original police noodle segment glass switch dad
loud banana

49) kitten host desk mix fox throw paddle pause vibrant clarify rocket
brisk

50) skirt much unaware hundred amount phone crime trap small paper
actress entire

51) salute pause diagram usual master board error sugar unusual around
split skirt

52) sting poverty roast speak erase mountain coconut immune recipe
calm field breeze

53) practice off athlete echo magnet bullet doll involve ordinary
afraid cage name

54) below shadow elephant marine giant chuckle net bind bacon radar
magic echo

55) tail once kid neck erupt donor leg wrist useless ivory frequent
river

56) endless slice rather grain inhale refuse essence equal fix
hospital cargo twin

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