

# Web3.0 Biweekly

5 August 2022 | AMTD Research

## ETH options open interest flips BTC for the first time

- Open interest in Ethereum options has exceeded that of Bitcoin, with the value of US\$5.7 billion over 30% higher than Bitcoin's.
- The ETH put-call ratio is at 0.26, the lowest all year, indicating a bullish momentum as users are placing bets on Ethereum's successful Merge, which would almost eliminate ETH issuance.
- The increase in volume is likely due to differing option strategies between ETH and BTC; while people are betting on the outcome of the Merge, there is no event catalyst for BTC.

ETH Total Open Interest All Expirations



Deribit Options Notional Open Interest in USD Billion



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Prices, Valuation, and Exchange Flows

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**e** **Regulatory Updates** – US stablecoin bill delayed, UK stablecoin bill introduced

**f** **Notable Tweets**

# Market Performance

# Summary

## 1. Prices

- **One-Year Price Recap**
- **Layer 1 Price Recap** (21 July – 3 August 2022)
  - SOL led losses amid a reported widespread vulnerability in the Solana network on August 3rd
  - AVAX decline seemed to be partly affected by SOL selloff
  - Most coins were range bound after a rather volatile two weeks
- **Protocol Price Recap** (21 July – 3 August 2022)
  - LDO liquid staking Lido continues to lead in gains in anticipation of the Merge, and it is set to introduce a dual-governance system
  - ENS gains as it recorded highest ever registrations in July
  - UNI also increased as users bought in anticipation for “fee switch”

## 2. Valuation

- Market Cap to Active Addresses – ETH’s price rally driven more by multiple expansion than network usage

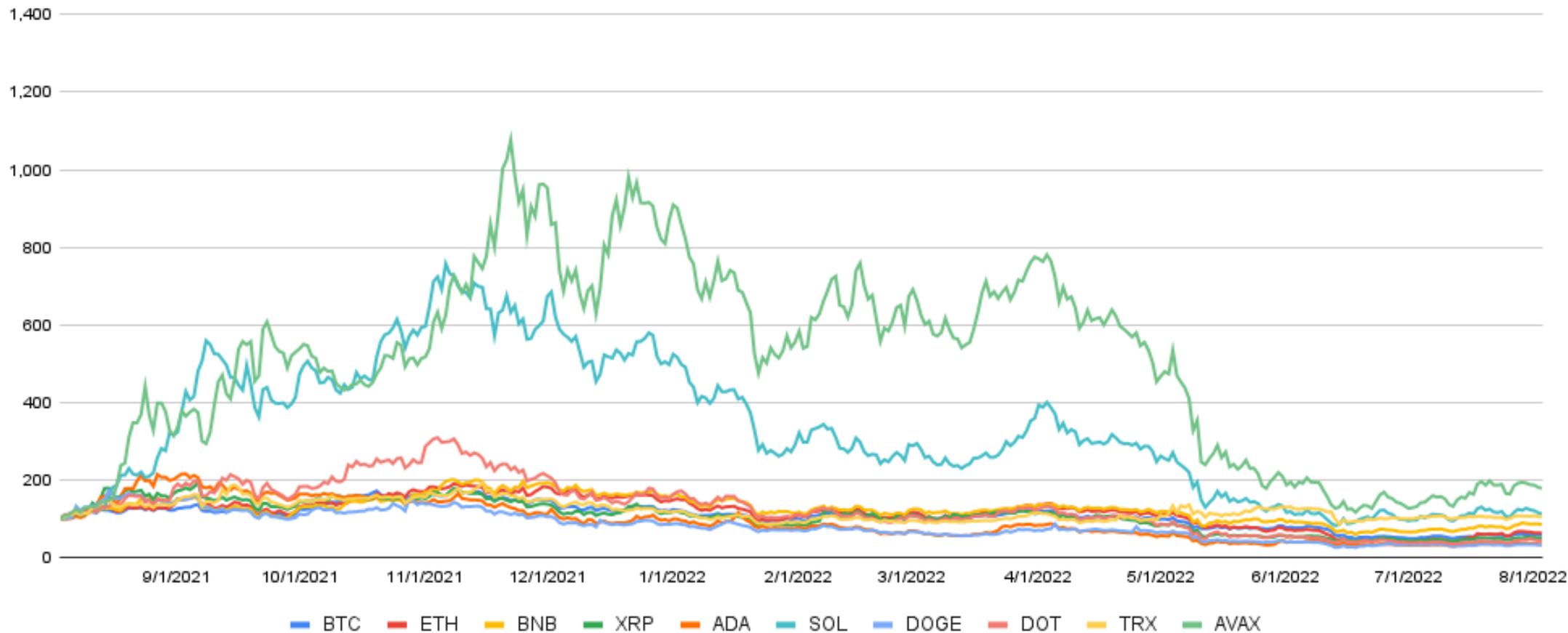
## 3. Exchange Flows

- Bitcoin - outflows gain slightly, but trend remains with users potentially moving to exchanges to sell
- Ethereum - exchange position continues bullish trend of users moving off exchanges on the back of Merge news

# One-Year Layer-1 Price Recap

Performance of Top-Ranking Crypto (One Year)

(3 August 2021 = 100)

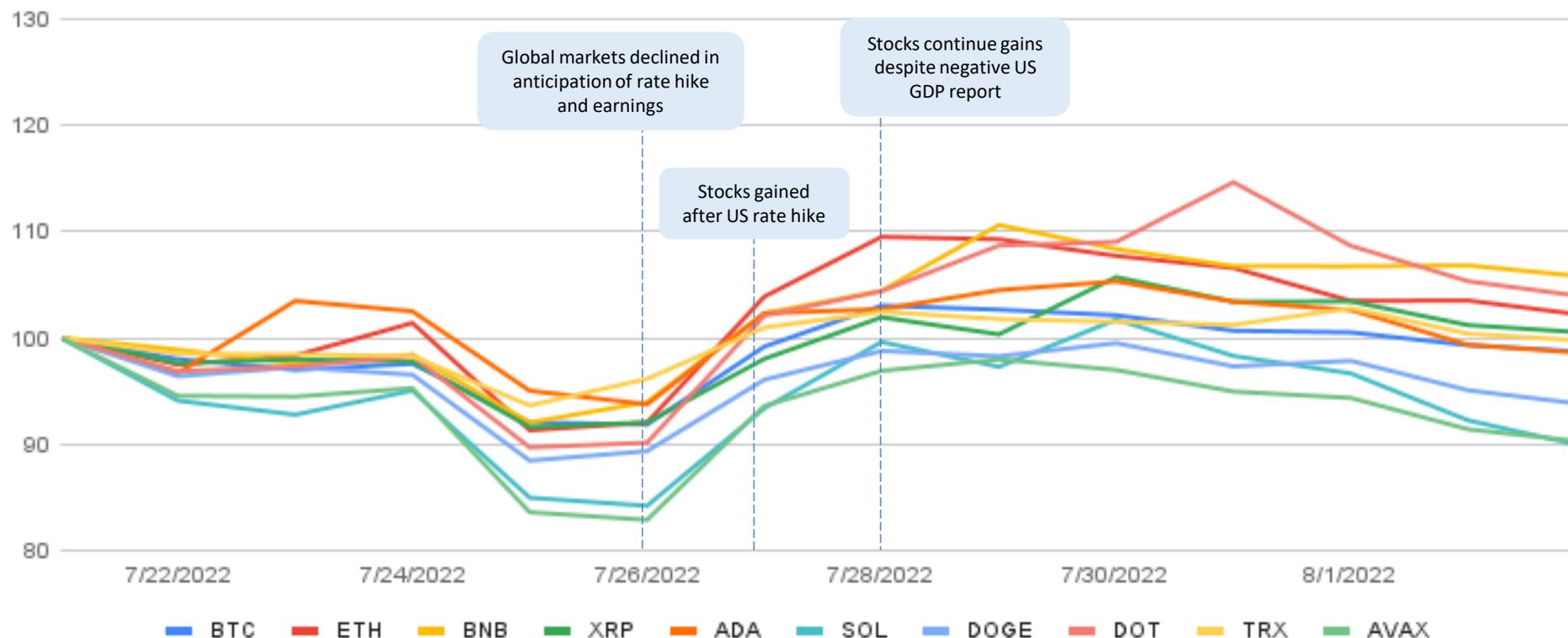


## Layer-1 Price Recap (21 July – 3 August 2022)

- **SOL** led losses amid a reported widespread vulnerability in the Solana network on August 3<sup>rd</sup>
- **AVAX** decline seemed to be partly affected by SOL selloff
- Most coins were range bound after a rather volatile two weeks

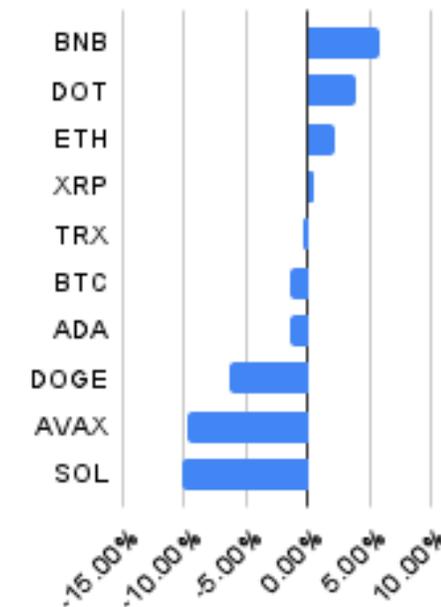
### Performance of L1 Tokens (Two Weeks)

(21 July - 3 August 2022)



### Period Return

(7 July - 20 July 2022)

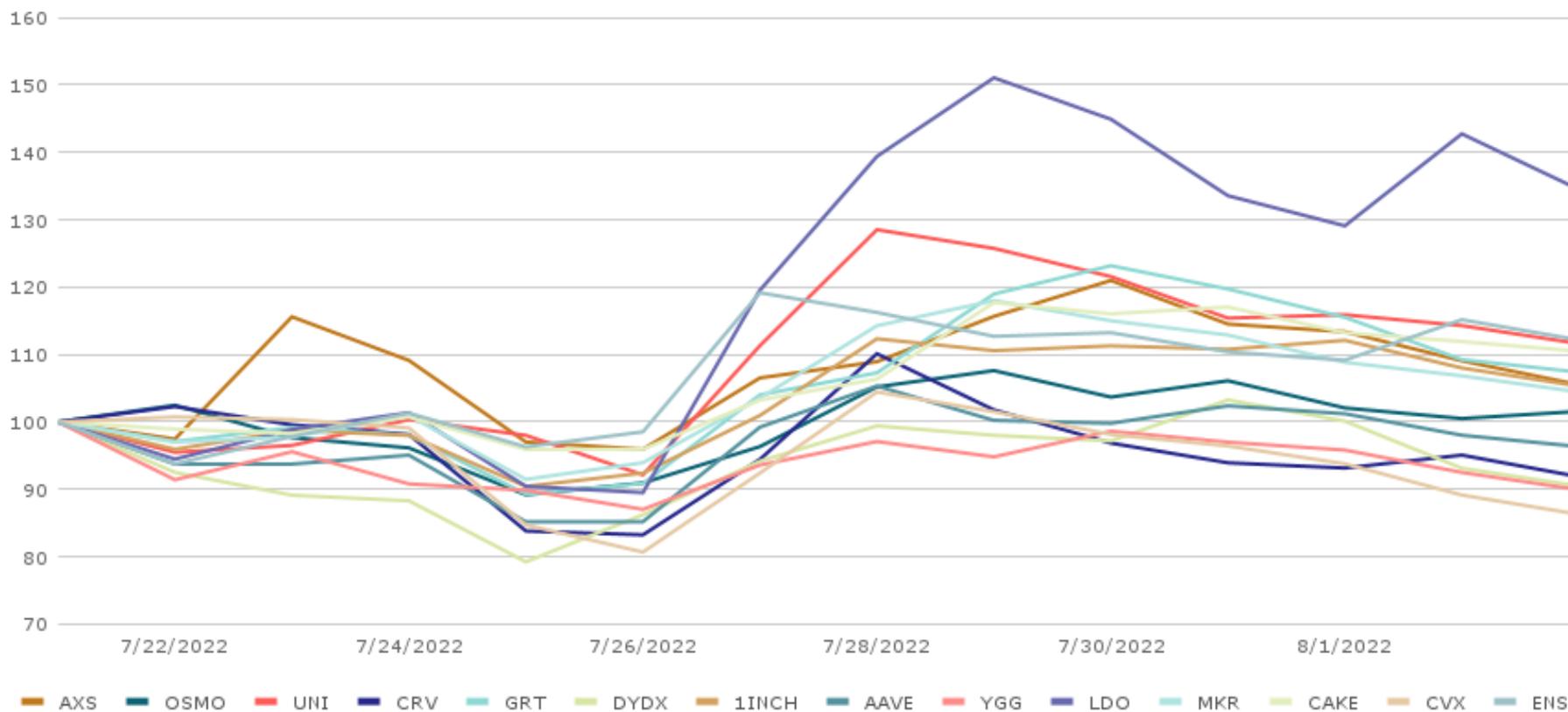


# Protocol Price Recap (21 July – 3 August 2022)

- LDO continues to lead in gains in anticipation of the Merge, and it is set to introduce a dual-governance system
- ENS gains as it recorded highest ever registrations in July
- UNI also increased as users bought in anticipation for “fee switch”

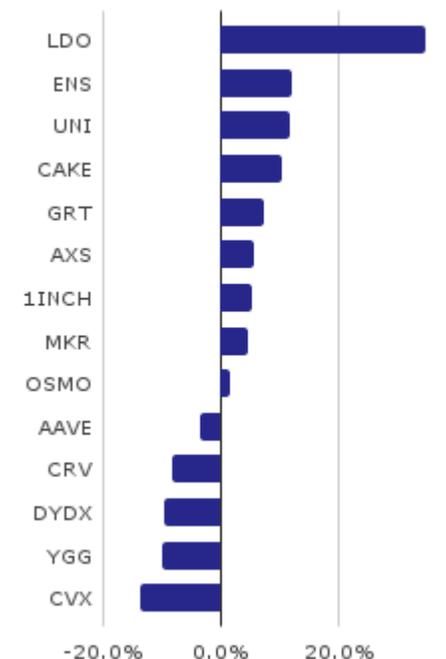
Performance of Protocol Coins (Two Weeks)

(21 July - 3 August 2022)



Period Return

(21 July - 3 August 2022)



# Valuation – BTC and ETH Market Cap to Active Addresses

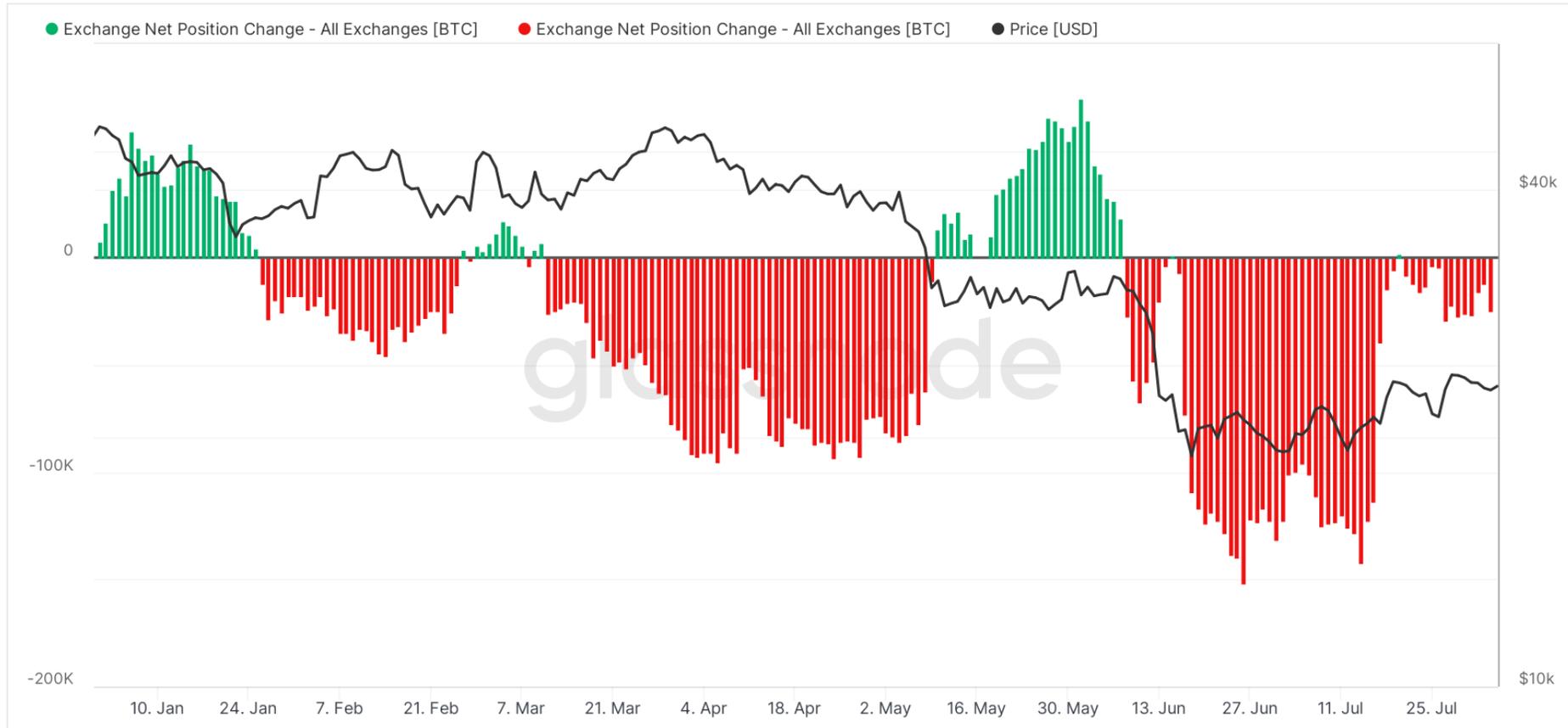


	BTC	ETH
<b>Valuation Multiple</b>		
2017-2018 Run	2.2x	7.1x
2020-2022 Run	5.6x	13.4x
<b>Network Usage</b>		
2017-2018 Run	1.3x	7.0x
2020-2022 Run	1.5x	2.8x

- Ethereum’s price rally (30x+) in the 2020-2022 cycle was driven more by valuation multiple expansion (13x) than network activity increase (3x).
- Due to Ethereum’s more cyclical network usage (i.e., DeFi and NFTs), Ethereum’s price will face a sharper contraction compared to Bitcoin.

# Bitcoin – outflows gain slightly, but trend remains with users potentially moving to exchanges to sell

Bitcoin: Exchange Net Position Change [BTC] - All Exchanges

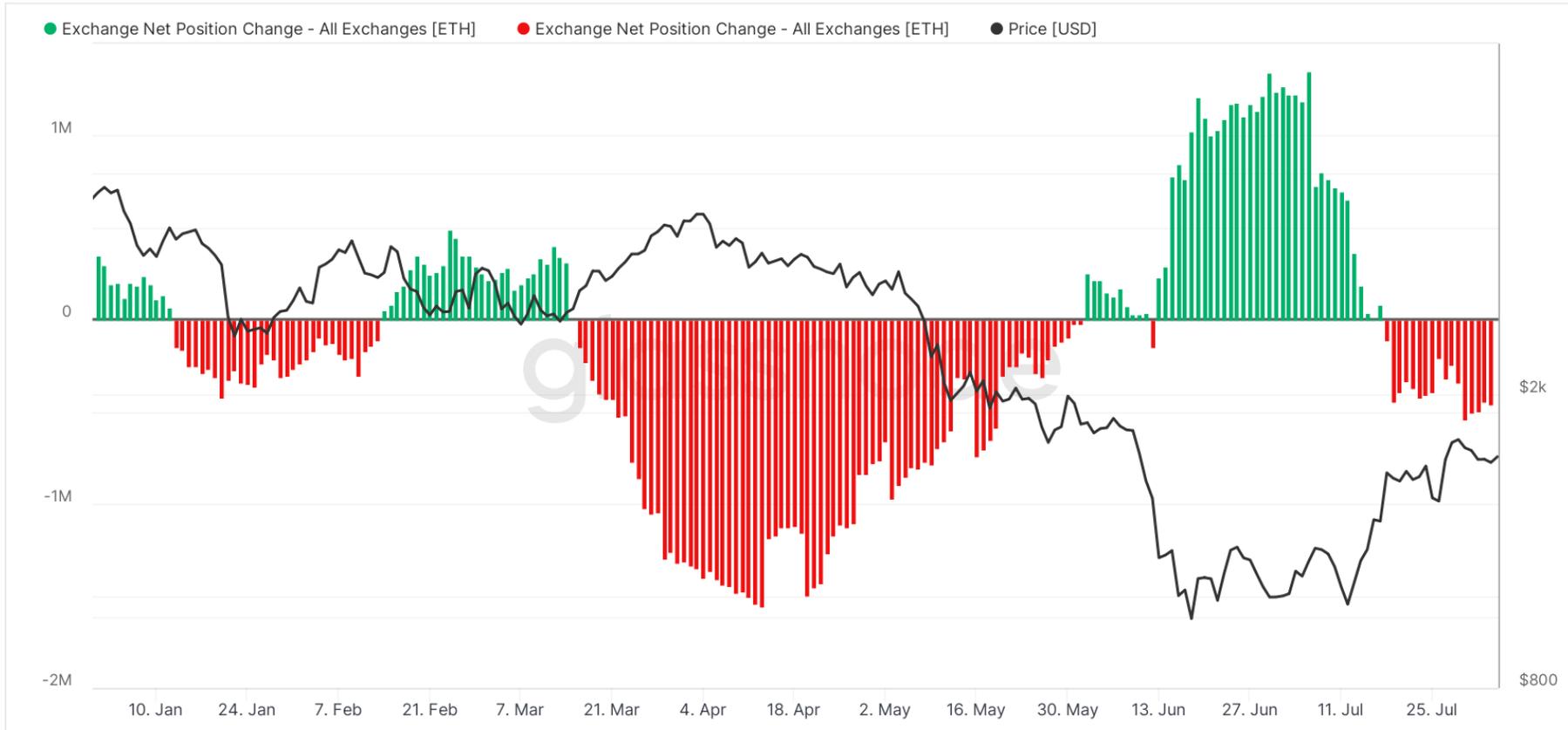


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# Ethereum - exchange position continues bullish trend of users moving off exchanges on the back of Merge news

Ethereum: Exchange Net Position Change [ETH] - All Exchanges



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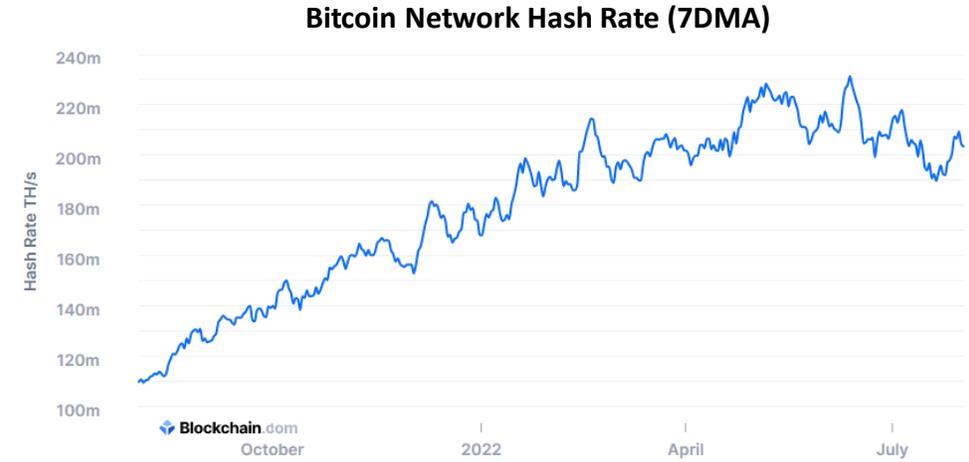
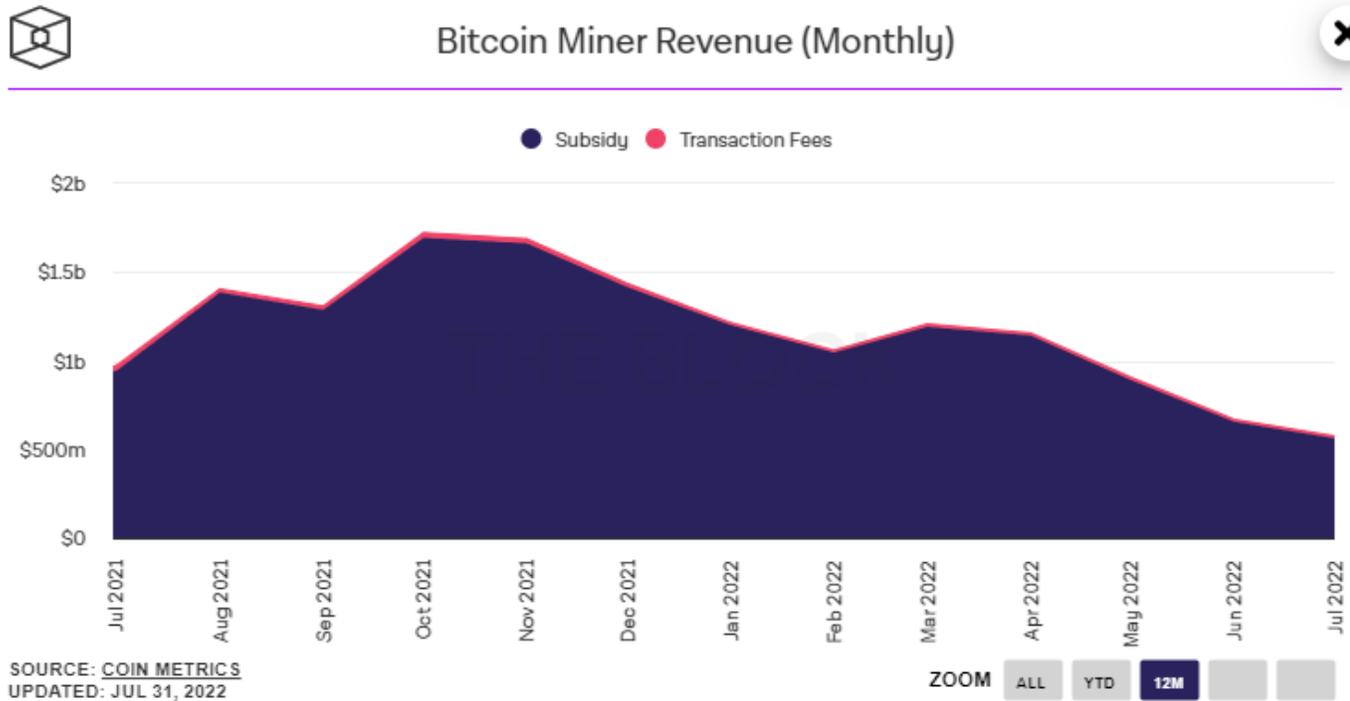
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# Layer-1 Blockchains

# Layer-1 Summary (21 July – 3 August 2022)

- 1. Bitcoin (2W: -3.8%)/(YTD: -51.1%)**  
Miner monthly revenue continues decline
- 2. Ethereum (2W: 3.5%)/(YTD: -56.6%)**  
Vitalik outlines roadmap after the Merge  
Some miners look to moving to Ethereum Classic as price surges
- 3. Solana (2W: -10.9%)/(YTD: -77.4%)**  
Hot wallets drained in hack
- 4. News and Headlines**

# Bitcoin – Miner monthly revenue continues decline



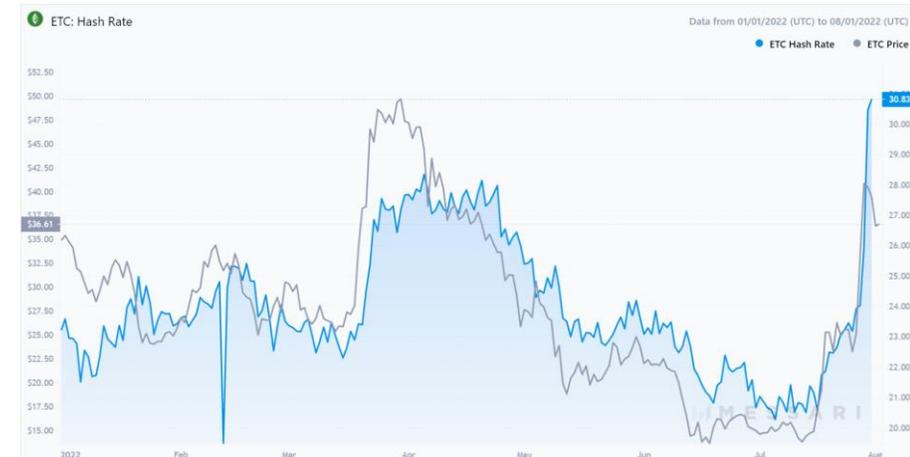
- Bitcoin miner revenue continued its monthly decline, dropping another 14% in July to US\$574.9 million. This is roughly half of the monthly average of monthly miner revenue in the first quarter of 2022.
- Bitcoin network hash rate has climbed back a bit in the recent week, but spotlight is on Ethereum and its Merge price rally.

# Ethereum – What comes after the Merge?

- According to Vitalik Buterin, there's plenty more after the Merge: the **Surge**, **Verge**, **Purge**, and **Splurge**.
- Vitalik suggests that Ethereum is just 40% complete, and only 55% complete after the Merge. The above “roadmap” will help with Ethereum’s development in scaling, cleanup, and evolution.
  - **Surge**: massive scalability increases through sharding
  - **Verge**: statelessness through “Verkle trees”
  - **Purge**: purging of hold network history
  - **Splurge**: “all the other fun stuff”
- At the end of it all, Ethereum should be able to handle 100,000 transactions a second, according to Vitalik.

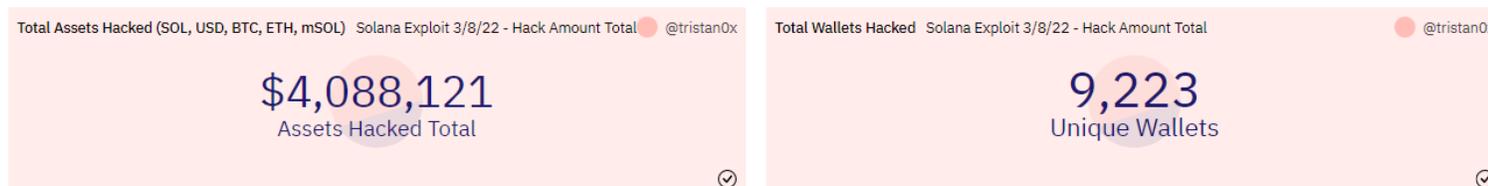
## All Eyes on Ethereum Classic

- The Ethereum Classic token has gained 85% in the past two weeks as users speculate that Ethereum miners will shift to the network after the Merge.
- Miners has also shown movement, with Ethereum Classic network hash rate reaching an all-time high, exceeding 30 TH/s this week.
- The movement comes as various miners voice out opinions for different paths ahead, such as moving to ETC or a new fork of Ethereum.



# Solana – Hot wallets drained in hack

- Over 9,000 hot wallets on Solana were hacked, with the hacker draining the wallets of users to the tune of over US\$4 million (mostly SOL and USDC), not counting other altcoins.
- It was initially believed to be a security issue on the Solana network or a supply-chain attack on one of Solana’s mobile wallets.
- After investigation by developers across the scene, it appears that the hacked addresses were either created, imported, or used in the Slope mobile wallet.
- While the Slope team is still investigating the root cause, some have noted that Slope may have logged wallet seed phrases on its own centralized servers in plain text.



foobar @Oxfoobar · 4h

MITM logs from @MoonRankNFT show the mnemonic being passed to Slope servers over POST requests. Wallet name purely coincidental

### News & Headlines

#### **Polygon Announces zkEVM**

Polygon said the zkEVM will be the first Ethereum-equivalent scaling solution that works seamlessly with all existing smart contracts. According to Polygon, zkRollups make Ethereum almost technically or theoretically infinitely scalable. [\[Blockworks\]](#)

#### **Former Coinbase Employee Arrested for Insider Trading**

A former Coinbase product manager was arrested for insider trading. The employee worked within the assets listing team and allegedly tipped off his brother and his friend about new coins that were to be listed on Coinbase, profiting at least US\$1.5 million. [\[The Block\]](#)

#### **Gucci to Accept Payments in ApeCoin**

Gucci will be the first major brand to allow for ApeCoin purchases in its stores, in addition to 12 other cryptocurrencies that is accepted in its 111 stores in North America. The payments will be accepted through BitPay. [\[CoinTelegraph\]](#)

#### **Coinbase Faces SEC Probe on Crypto Listings**

The US SEC is investigating whether Coinbase improperly let its US users trade digital assets that should have been registered as securities. The increased scrutiny against the company comes quickly after its arrest of a former product manager for insider trading. [\[Bloomberg\]](#)

#### **Binance CEO Sues Bloomberg Businessweek in Hong Kong**

Binance CEO “CZ” is suing Bloomberg Businessweek’s Hong Kong publisher for defamatory statements published about him. CZ is suing the Chinese edition of the Bloomberg Businessweek as an earlier publication translated the headline to “Zhao Changpeng’s Ponzi Scheme”. [\[Decrypt\]](#)

#### **Bitmain Partner Unveils Lending Products for Miners**

Antalpha, a financial services company that is partnered with mining giant Bitmain, announced some novel lending products for crypto miners including co-lending, financing to offload electricity costs, and deals collateralized with hashrate. It is also offering lending with no margin calls. [\[CoinDesk\]](#)

#### **Unstoppable Domains Reaches Unicorn Status**

Web3 digital identity service provider Unstoppable Domains has reached unicorn status after its Series A funding raised US\$64 million led by Pantera Capital. It has so far registered 2.5 million domains to replace lengthy crypto wallet addresses. [\[CoinDesk\]](#)

#### **Solana to Open Retail Store in New York**

Called Solana Spaces, the Solana-themed store is set to open in Hudson Yards in New York City. The store will introduce Solana, web3, NFTs, etc, acting as an embassy and cultural center for Solana. There will also be some Solana-branded merch for sale. [\[Decrypt\]](#)

### News & Headlines

#### **AntPool Supports Ethereum Classic**

Mining pool AntPool is showing its support for the Ethereum Classic ecosystem with a US\$10 million investment and will continue to invest more. This comes as Ethereum is shifting to a proof-of-stake model, meaning that miners will have to shift to a proof-of-work system, like Ethereum Classic. [\[CoinDesk\]](#)

#### **Variant Raises US\$450 million**

Crypto venture capital firm Variant announced that it raised US\$450 million across two new funds targeting early-stage startup projects ranging from DeFi, infrastructure, web3 consumer applications, and more. Variant's current portfolio includes NFT platform Magic Eden and DEX Uniswap. [\[The Block\]](#)

#### **Charles Schwab Launches Crypto-themed ETF**

Charles Schwab will launch its Schwab Crypto Thematic Index on the New York Stock Exchange. The fund will not invest in crypto directly, but invested in companies that have a stake in crypto. Compared to other funds, which are more blockchain technology ETFs, this one will be more targeted to cryptocurrency. [\[Decrypt\]](#)

#### **Celsius Custody Clients Enlists Lawyer to Reclaim Deposits**

A group of nearly 400 ad hoc custody clients of bankrupt Celsius Network has enlisted a lawyer to attempt to reclaim US\$180 million of assets locked up in the platform. The group banded together in attempt to recover their assets, which they used Celsius for storage, not normal customers that mostly used Celsius to generate yield. [\[CoinDesk\]](#)

#### **U.S. SEC Charges 11 People Related to US\$300 million Ponzi**

The U.S. SEC has filed charges against 11 people related to the Ponzi scheme Forsage that allegedly swindled investors out of US\$300 million. The project was launched in January 2020 and required members to recruit more users to earn payouts. [\[CoinDesk\]](#)

#### **MicroStrategy CEO Steps Down**

Michael Saylor, long-time CEO of MicroStrategy, is stepping down from his role and will become the company's executive chairman. The role will allow for Saylor, a well known bitcoin bull, to focus on the firm's bitcoin acquisition strategy. [\[Blockworks\]](#)

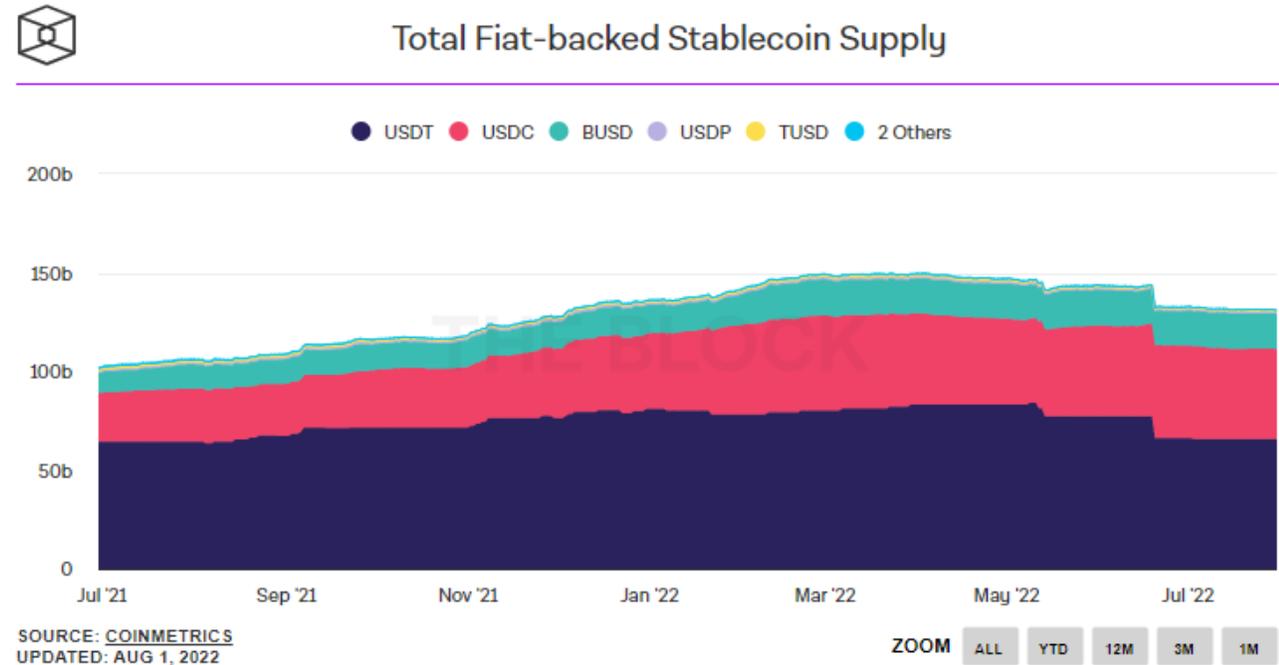
# Stablecoins

## Stablecoins Summary (21 July – 3 August)

- 1. Centralized Stablecoins**  
Supply unchanged as market cools down from earlier rally
- 2. Decentralized Stablecoins**  
Aave DAO approves GHO, the first step in creating the stablecoin

## Centralized Stablecoin Updates – Supply unchanged as market cools down from earlier

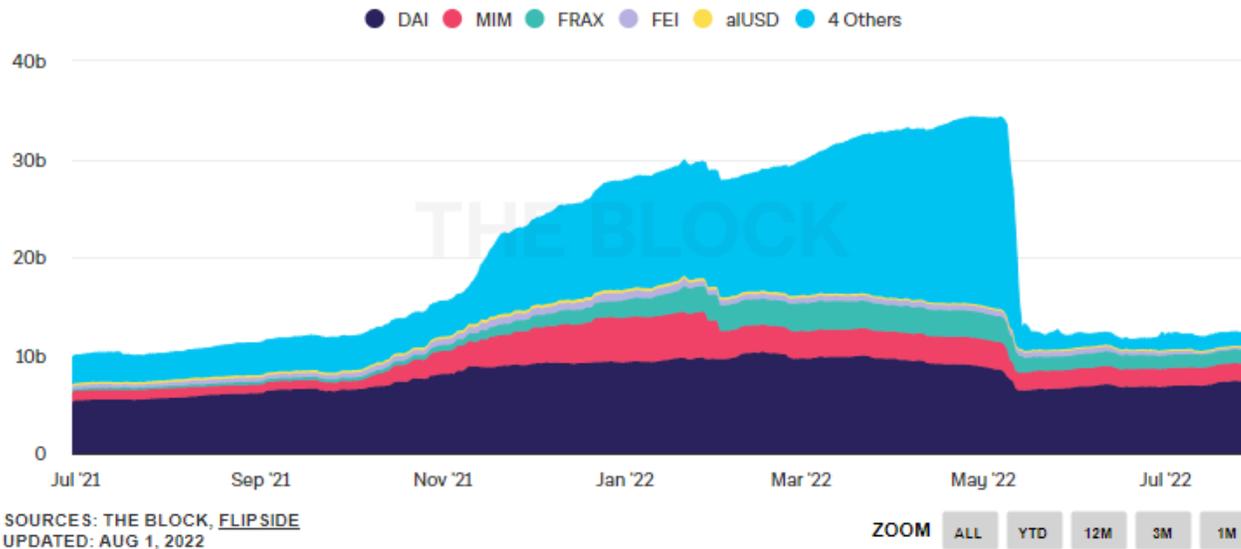
- In the past two weeks:
  - Total stablecoin supply and centralized stablecoin supply was roughly unchanged at US\$142.5b and US\$131b respectively.
  - USDT supply was unchanged at US\$65.6b and US\$45.54b respectively.
- Tether announced that it holds no Chinese commercial paper and added that its total commercial paper exposure reached US\$3.7 billion, down from US\$30 billion a year ago.



## Decentralized Stablecoin Updates – Aave DAO approves GHO stablecoin



Total Crypto-backed and Algorithmic Stablecoin Supply



- The Aave DAO has passed the proposal to create the GHO stablecoin, backed by 99.9% of voters.
- This is the first step in creating the stablecoin, with the next vote related to the genesis parameters of GHO.
- GHO will be an overcollateralized stablecoin administered by the Aave DAO, acting similar to MakerDAO’s DAI.
- Separately, Curve Finance founder hinted at the possibility of a Curve stablecoin during a crypto event, though only mentioning “over-collat”.

# DeFi

# DeFi Summary (21 July – 3 August 2022)

### 1. TVL by Chain

- TVL gained 4%, a slowdown after crypto price rally in early July

### 2. TVL by Protocol

- Instadapp led gains following its introduction of Swap Aggregator
- Curve and Convex gains as a sign of TVL bottoming out regarding stablecoin activity

### 3. DeFi Revenue

- Overall weekly DeFi activity was weak with most double-digit percentage revenue losses over the month

### 4. DeFi Valuation – Uniswap and Curve relatively overvalued based on P/TVL and P/Revenue respectively

### 5. Top DEX Pools

- Liquidity continues gradual increase
- steth pool reclaims top Curve pool from frax

### 6. Top Pools in terms of TVL/APY - Yield Farming

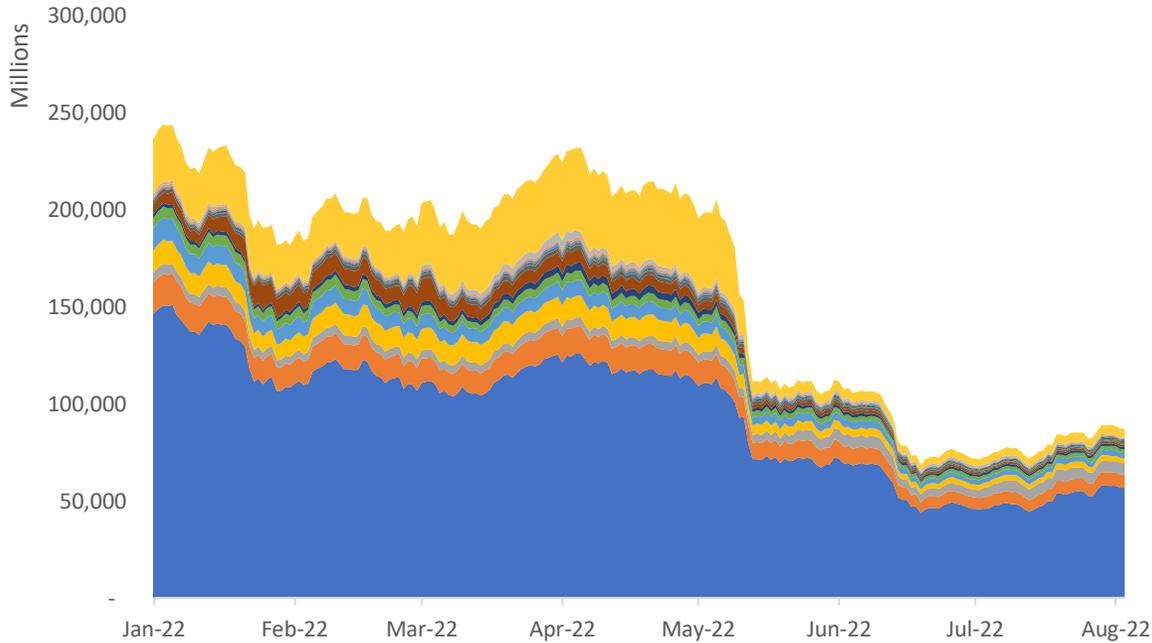
- Yields lower as crypto prices stabilize from earlier rallies

### 7. Noteworthy DeFi Protocols (Uniswap, Lido, Harmony)

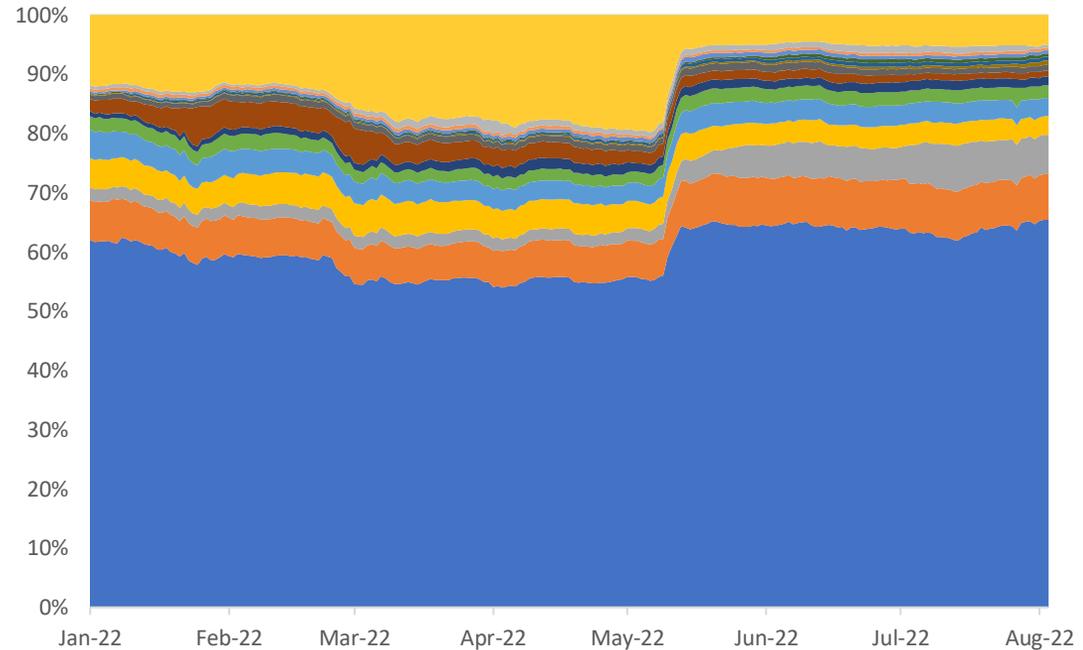
- Uniswap inching towards protocol fees
- Lido DAO approves token sale to Dragonfly after terms change
- Pushback on Harmony proposal to mint billions of tokens
- The zkEVM race

## TVL Overview by Chain – TVL gained following crypto price rally

TVL Trend by Chain



TVL Breakdown by Chain



August 03, 2022  
 Ethereum : 65.41%  
 BSC : 7.72%  
 Tron : 6.68%  
 Avalanche : 3.13%  
 Solana : 3.04%  
 Polygon : 2.12%  
 Cronos : 1.52%  
 Fantom : 1.01%  
 Arbitrum : 0.98%  
 Optimism : 0.67%  
 Parallel : 0.64%  
 Mixin : 0.57%  
 DefiChain : 0.55%  
 Klaytn : 0.47%  
 Waves : 0.45%

■ Ethereum ■ BSC ■ Tron ■ Avalanche ■ Solana ■ Polygon ■ Cronos ■ Fantom ■ Arbitrum ■ Optimism ■ Parallel ■ Mixin ■ DefiChain ■ Klaytn ■ Waves ■ Others

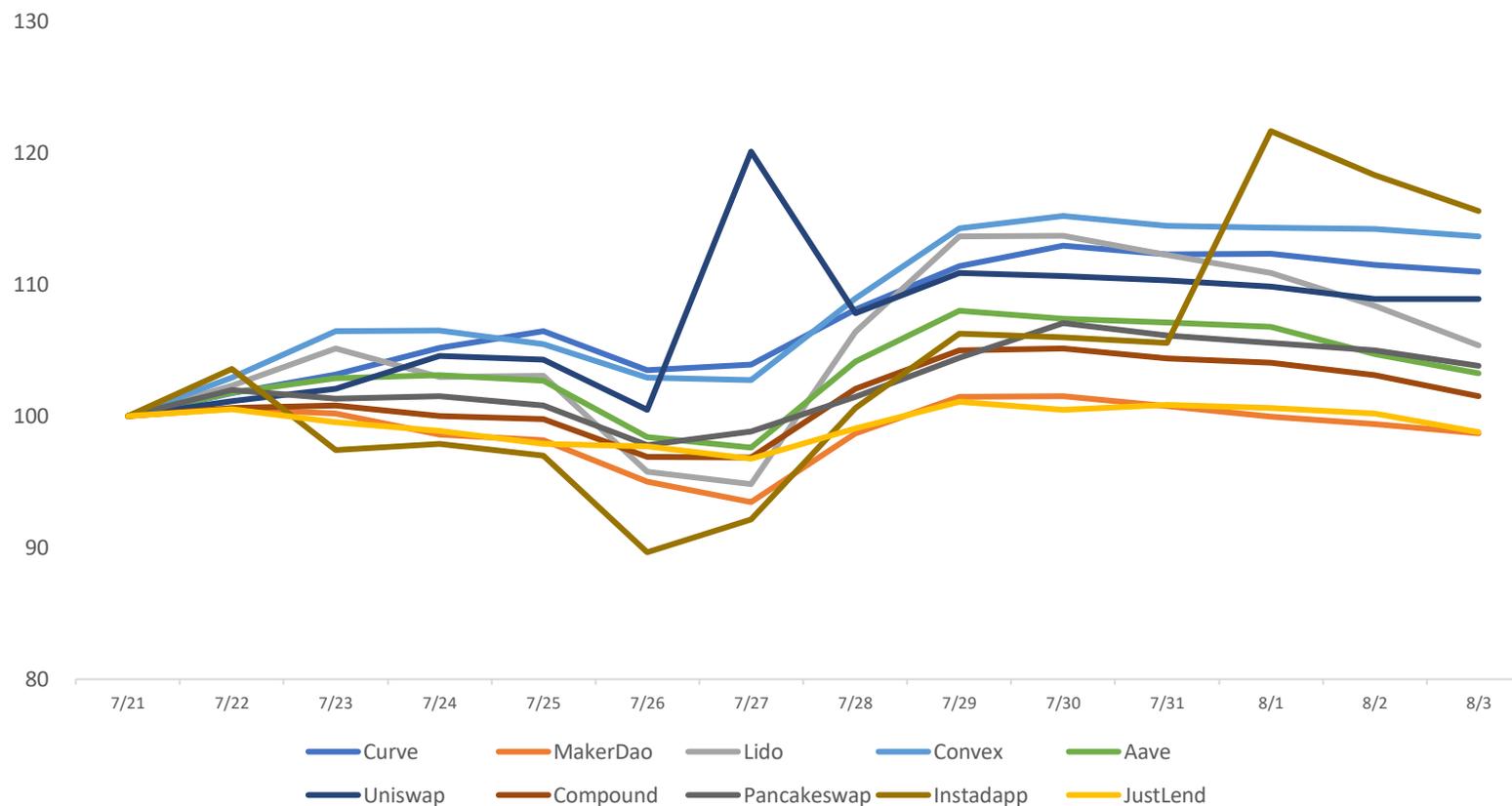
Total TVL gained 4% to US\$87 billion following a rapid rise in crypto prices in early July. During the period, notable winners/losers were:

- TVL on most chains gained 10%-15% on average, boosted by crypto prices.
- Optimism TVL rose a further 51% to US\$580m marked by an 82% gain in the Velodrome DEX and 18% increase in Synthetix TVL.
- Arbitrum TVL gained 18% to US\$854m with top contributors (GMX, Curve, Sushi, Uniswap) posting double-digit gains as well.

## TVL Overview by Protocols

- Instadapp led gains following its introduction of Swap Aggregator
- Curve and Convex gains as a sign of TVL bottoming out regarding stablecoin activity

TVL of Top DeFi Protocols in Terms of TVL  
(21 July 2022 = 100)

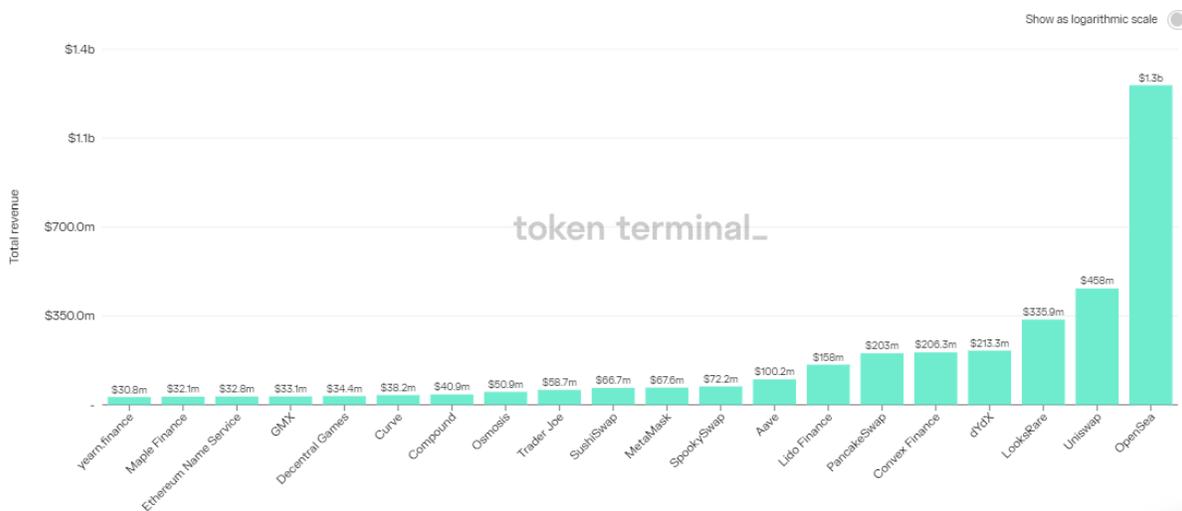


Procotol	21 July TVL (USD m)	3 Aug TVL (USD m)	Period Change
MakerDAO	8,504	8,392	-1.3%
Uniswap	5,821	6,338	8.9%
Pancake	2,962	3,075	3.8%
Compound	2,838	2,881	1.5%
Instadapp	1,987	2,298	15.6%
Lido	6,613	6,967	5.4%
Uniswap	3,858	4,385	13.6%
Curve	5,370	5,960	11.0%
Convex	3,858	4,385	13.6%
Aave	6,085	6,283	3.3%
JustLend	3,366	3,326	-1.2%

## DeFi Revenue - DeFi Protocols

- Overall weekly DeFi activity was weak with most double-digit percentage revenue losses over the month.
- Synthetix revenue was down 46% for the week, despite TVL gains.
- ENS cooled down in the past week after record-breaking activity in July.

Top dapps based on cumulative total revenue in the past 180 days.

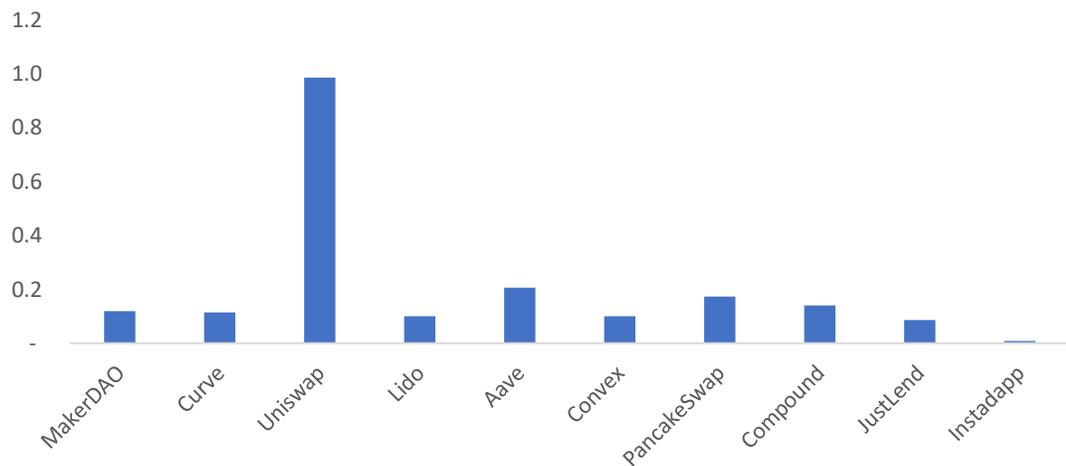


Project	Revenue 7d (US\$)	Revenue 30d (US\$)	Revenue 180d (US\$)	7d Change	30d Change
OpenSea	\$ 12.0m	\$ 56.4m	\$ 1,236.4m	-17.7%	-6.3%
Uniswap	\$ 13.2m	\$ 48.4m	\$ 455.1m	6.2%	-19.7%
dYdX	\$ 7.0m	\$ 23.9m	\$ 212.4m	-1.8%	32.5%
Convex Finance	\$ 5.7m	\$ 21.2m	\$ 204.4m	0.1%	19.0%
Lido Finance	\$ 5.7m	\$ 20.7m	\$ 157.3m	5.7%	5.7%
PancakeSwap	\$ 4.5m	\$ 14.9m	\$ 201.9m	6.1%	-15.3%
Synthetix	\$ 1.6m	\$ 9.0m	\$ 23.3m	-45.6%	-8.9%
Aave	\$ 1.8m	\$ 8.3m	\$ 99.5m	-8.2%	-40.1%
ENS	\$ 1.1m	\$ 5.9m	\$ 32.7m	-25.4%	92.4%
LooksRare	\$ 1.3m	\$ 5.7m	\$ 321.9m	-5.6%	-6.9%
SushiSwap	\$ 1.7m	\$ 5.0m	\$ 66.0m	43.0%	-19.2%
GMX	\$ 1.8m	\$ 4.9m	\$ 32.9m	53.6%	20.0%
Maple Finance	\$ 0.2m	\$ 3.4m	\$ 32.1m	-80.9%	-38.9%
MetaMask	\$ 0.6m	\$ 3.4m	\$ 67.3m	-6.3%	-32.0%
Balancer	\$ 0.6m	\$ 2.4m	\$ 23.4m	52.3%	-18.3%
SpookySwap	\$ 0.3m	\$ 2.3m	\$ 71.6m	-62.7%	-14.0%
Trader Joe	\$ 0.5m	\$ 2.1m	\$ 56.0m	-17.2%	-47.4%
Compound	\$ 0.4m	\$ 1.7m	\$ 40.5m	3.4%	-15.9%
Curve	\$ 0.3m	\$ 1.6m	\$ 38.0m	-12.6%	-74.4%
Quickswap	N/A	\$ 1.6m	\$ 20.8m	N/A	-42.6%

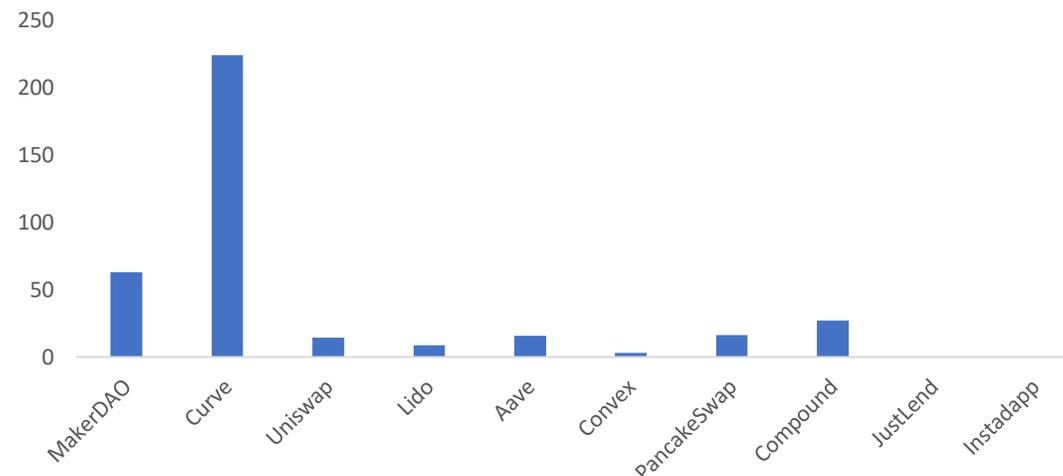
Note: As of 3 August 2022

# DeFi Valuation

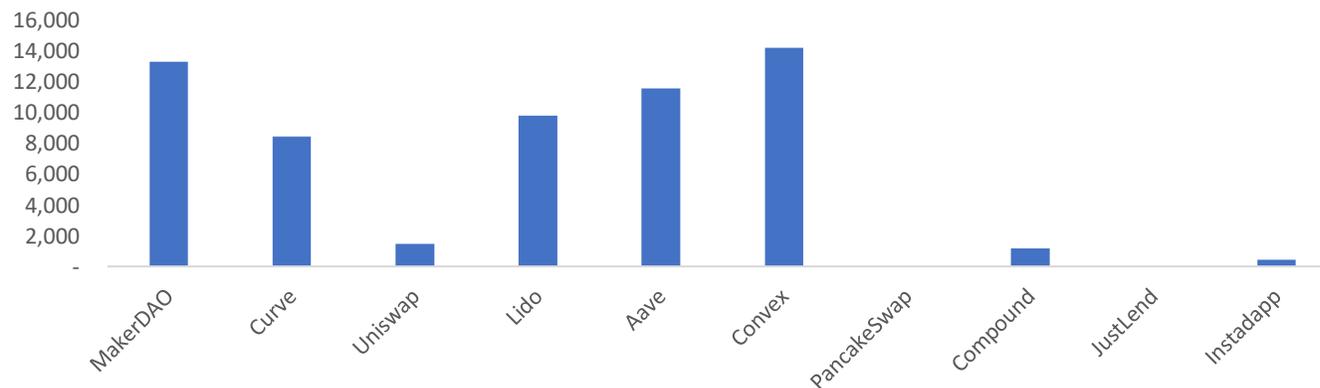
P/TVL Ratio (Top 10 Projects by TVL)



P/S Ratio (Annualized Revenue)



P/Users Ratio



Note: As of 3 August 2022. Protocols with a ratio of 0 means insufficient data.

Source: TokenTerminal, Dune Analytics, CoinMarketCap

## Top DEX Pool Trends

- Liquidity continues gradual increase

### Curve

Top Pools ?

#	Pool	Liquidity	Volume	Fees	ROL
1	steth	\$1.3b	\$14.13m	\$3.47k	0.10%
2	frax	\$1.07b	\$1.45m	\$361.32	0.05%
3	3pool	\$962.41m	\$46.39m	\$2.63k	0.10%
4	tricrypto2	\$263.31m	\$134.13m	\$21.13k	2.95%
5	mim	\$162.1m	\$198.4k	\$119.06	0.05%
6	susd	\$147.66m	\$512.19k	\$191.13	0.05%
7	alusd	\$95.17m	\$1.05m	\$208.60	0.11%
8	tusd	\$78.47m	\$1.15k	\$0.23	0.05%
9	seth	\$75.73m	\$1.51m	\$297.86	0.14%
10	compound	\$66.53m	\$0.00	\$0.02	0.00%

### Liquidity Provided



### Uniswap

Top Pairs ?

#	Pair/Pool	Liquidity	Volume	Fees	ROL
1	DAI - USDC	\$176.33m	\$134.92k	\$404.76	0.08%
2	USDC - ETH	\$119.01m	\$19.89m	\$59.66k	18.30%
3	WISE - ETH	\$117.56m	\$19.01k	\$57.04	0.02%
4	FEI - TRIBE	\$93.1m	\$520.88k	\$1.56k	0.61%
5	FXS - FRAX	\$66.97m	\$5m	\$15.01k	8.18%
6	ETH - USDT	\$31.59m	\$5.47m	\$16.4k	18.95%
7	FNK - USDT	\$29.85m	\$3.21k	\$9.62	0.01%
8	MC - ETH	\$25.96m	\$119.94k	\$359.81	0.51%
9	UNI - ETH	\$23.75m	\$2.11m	\$6.32k	9.71%
10	PAXG - ETH	\$20.55m	\$1.16m	\$3.47k	6.17%

### Liquidity Provided



### SushiSwap

Top Pairs ?

#	Pair/Pool	Liquidity	Volume	Fees	ROL
1	ILV - ETH	\$91.26m	\$1.23m	\$3.69k	1.47%
2	USDC - ETH	\$40.23m	\$8.78m	\$26.34k	23.89%
3	OHM - DAI	\$36.14m	\$942.8k	\$2.83k	2.86%
4	ETH - USDT	\$26.1m	\$3.01m	\$9.03k	12.63%
5	WBTC - ETH	\$23.66m	\$619.33k	\$1.86k	2.87%
6	BIT - ETH	\$15.2m	\$118.35k	\$355.06	0.85%
7	OHM - ETH	\$15.2m	\$1.1m	\$3.29k	7.90%
8	SUSHI - ETH	\$14.05m	\$861.25k	\$2.58k	6.71%
9	TOKE - ETH	\$13.65m	\$203.8k	\$611.41	1.63%
10	AAVE - ETH	\$11.13m	\$497.9k	\$1.49k	4.90%

### Liquidity Provided



## Top DEX Pool Trends – steth pool reclaims top Curve pool

### Curve

**Top Pair Data:** steth

Total Liquidity, USD



Volume Traded



Fees per Liquidity



### Uniswap

**Top Pair Data:** DAI - USDC

Total Liquidity, USD



Volume Traded



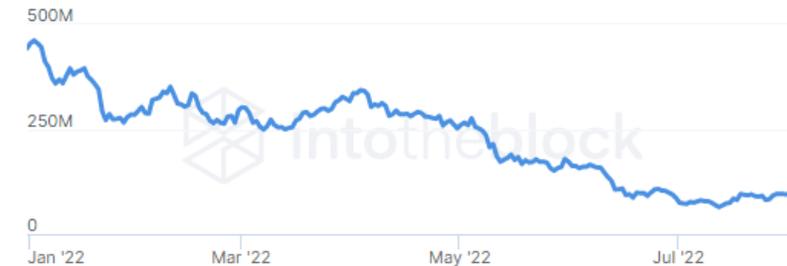
Fees per Liquidity



### SushiSwap

**Top Pair Data:** ILV - ETH

Total Liquidity, USD



Volume Traded



Fees per Liquidity



## Top Yield Farming Pools - TVL

Name	Protocol	Base APY	Reward APY	Rewards	APY	7d ago	TVL
ETH	Lido Ethereum	3.90%	-		3.90%	3.90%	\$6,913,334,244
WETH	Aave Ethereum	0.71%	-		0.71%	0.93%	\$1,348,381,420
USDC	Aave Ethereum	0.64%	-		0.64%	0.56%	\$1,233,994,492
fraxFRAX	3Crv Convex Ethereum	0.11%	5.07%	CRV CVX FXS	5.18%	5.74%	\$1,072,200,000
DAI	USDC (0.01%) Uniswap Ethereum	0.09%	-		0.09%	0.11%	\$985,137,024
stethETH	stETH Convex Ethereum	2.91%	5.68%	CRV CVX LDO	8.59%	2.77%	\$970,700,000
ETH	Compound Ethereum	0.07%	0.08%	COMP	0.15%	0.15%	\$847,614,140
DAI	USDC (0.05%) Uniswap Ethereum	0.08%	-		0.08%	0.02%	\$667,382,477
USDC	Compound Ethereum	0.70%	0.46%	COMP	1.16%	1.07%	\$650,636,149
WBTC	Aave Ethereum	0.02%	-		0.02%	0.01%	\$644,121,694

Aave WETH climbs to second

# Top Yield Farming Pools - APY

## Top APY pool (TVL > 100m)

Name	Protocol	Base APY	Reward APY	Rewards	APY	7d ago	TVL
USDC WETH (0.05%)	Uniswap Ethereum	56.13%	-		56.13%	54.60%	\$281,014,842
WBTC WCRO	WVS Cronos	1.02%	37.96%		38.98%	38.51%	\$127,200,000
USDC WETH (0.3%)	Uniswap Ethereum	33.82%	-		33.82%	36.63%	\$335,587,986
WCRO WETH	WVS Cronos	1.92%	31.42%		33.34%	32.98%	\$135,260,000
USDN	Vires Waves	31.96%	0.14%	VRES	32.10%	35.60%	\$221,177,517
BTC DFI	DefiChain Defichain	-	31.09%	DFI	31.09%	32.21%	\$156,149,412
WETH USDT (0.3%)	Uniswap Ethereum	28.85%	-		28.85%	35.30%	\$135,574,226
cvxcrvcrvCRV CRV	Convex Ethereum	0.47%	21.95%	CRV CVX	22.42%	23.52%	\$121,700,000
MEX EGLD	Maia Ethereum	0.06%	21.94%	MEX	22.00%	22.00%	\$111,822,689
WBTC WETH (0.3%)	Uniswap Ethereum	21.69%	-		21.69%	25.19%	\$264,012,822

WAVES pools disappear

Yields lower as crypto prices stabilize from earlier rallies

## Top APY pool (TVL > 10m)

Name	Protocol	Base APY	Reward APY	Rewards	APY	7d ago	TVL
VVS WCRO	WVS Cronos	0.98%	119%		120%	120%	\$51,430,000
USDC WETH (0.05%)	Uniswap Polygon	90.31%	-		90.31%	80.71%	\$12,130,766
WETH GMX (1%)	Uniswap Arbitrum	88.37%	-		88.37%	15.74%	\$28,502,932
CRV (locker)	StakeDAO Ethereum	-	69.46%	CRV SDT 3CRV	69.46%	53.13%	\$21,001,485
APE WETH (0.3%)	Uniswap Ethereum	67.23%	-		67.23%	33.79%	\$24,209,308
USDC OSMO	Osmosis Osmosis	63.81%	-		63.81%	68.56%	\$28,600,000
WBTC OSMO	Osmosis Osmosis	60.32%	-		60.32%	64.49%	\$10,800,000
USDC WETH (0.05%)	Uniswap Ethereum	56.13%	-		56.13%	54.60%	\$281,014,842
HEX USDC (0.3%)	Uniswap Ethereum	49.82%	-		49.82%	48.02%	\$15,233,771
WETH OSMO	Osmosis Osmosis	49.58%	-		49.58%	52.16%	\$13,200,000

Note: As of 3 August 2022

Source: Coindix

## Noteworthy DeFi Protocols – Uniswap inching towards protocol fees

### UNI 1M performance



Last 7 Days Fees Uniswap v3 Total Volume and Fees - Counter

**\$9.00M**

Total LP Fees (All Pairs)



Last 7 Days Fees Uniswap v3 Total Volume and Fees - Counter

**\$7.12M**

LP Fees in Top 15 Pairs



- The Uniswap community is discussing whether to flip the “fee switch”, which would **direct a portion of fees to token holders**. UNI token has rallied as a result (2W: 15%)
- Currently, Uniswap imposes a 0.3% fee for token trades that is contributed to the LPs depending on each LPs’ contribution to each pool.
- The proposed fee switch would instead see 0.25% directed to LPs and 0.05% to UNI token holders.
- However, many in the community are concerned that the fee switch could substantially drop Uniswap’s DEX dominance as LPs may move their liquidity to other DEXes, should profitability decline on Uniswap after the fee switch.
- As such, current discussions are revolving around whether to test out the fee switch on less important pools, or to simply find another idea that would not negatively impact the LPs.
- Meanwhile, Uniswap briefly passed Ethereum as the top protocol by 7 day average fees, according to [cryptofees.info](https://cryptofees.info), in late June.



Barry Fried @BarryFried1 · Jul 30

It's not like you can attempt to raise **SUNI** “fee switch” revenue to raise **SUNI** yield, as you'd be eating more and more into LPer fee revenue!

LPers leave->less liq->less utilization->less fee rev back to UNI holders

It's a lose lose!

## Noteworthy DeFi Protocols – Lido DAO approves token sale to Dragonfly after terms change

### LDO 1M performance



Cobie  
@cobie

VCs should be abstaining from any DAO votes to sell themselves tokens, wtf am I looking at lmao

If the vote is "Should we sell Misc Capital 10,000,000 tokens for \$1?"

Then Misc Capital should abstain from voting on this proposal.

... Right?

7:07 PM · Jul 22, 2022 · Twitter Web App

- The **Lido DAO has voted to approve** the sale of 10 million LDO tokens to Dragonfly Capital (worth ~US\$25 million). The sale **requires a one-year lockup** after the previous proposal was rejected.
- An earlier proposal was rejected by the Lido DAO to sell US\$14.5 million worth of LDO tokens (10 million tokens, US\$1.45 each) to Dragonfly Capital.
- Roughly 66% of the DAO voted against the original proposal, the result of a heated debate in the community since the token sales **did not require any lock-up period for Dragonfly Capital**.
- There also seemed to be conflict of interest concerns, with many in the community (including Lido co-founder Cobie) suggesting that VCs should abstain from votes to sell themselves tokens.
- The token sale is one part of a treasury diversification proposal for Lido with a total of 20 million LDO coins



YameteOniichan9

14d

"skin in the game" argument is so mute when most VCs are profit mercenaries.

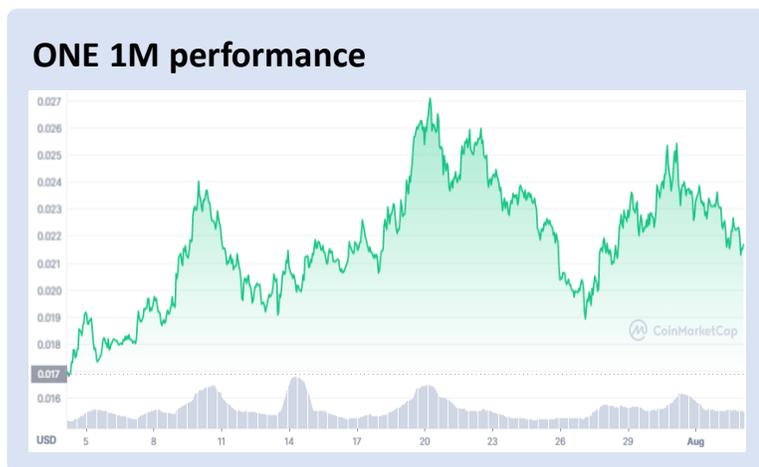
Selling to them at these prices without unlock literally giving VCs free money. Seems prudent to be cautious in a bear market but not supporting anything without vesting.



dragonaireloong

What's the rational of 0 locking period?

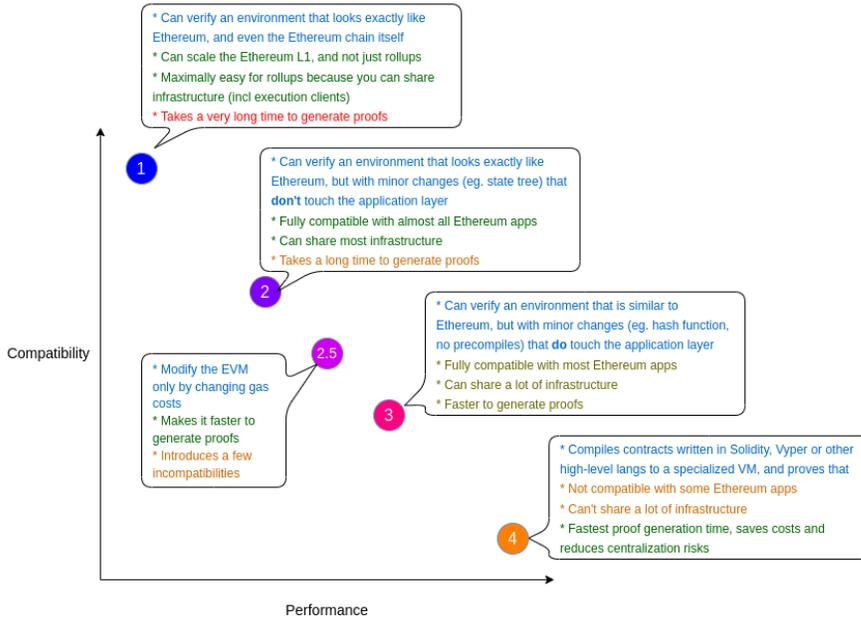
## Noteworthy DeFi Protocols – Pushback on Harmony proposal to mint billions of tokens



- The Harmony team will be **going back to the drawing board after widespread criticism** of its recent proposal to mint billions of new ONE tokens.
- The proposal was a hard fork of the Harmony blockchain to mint between 2.5 to 5 billion new ONE tokens to reimburse victims of its Harmony bridge hack, which stole US\$100 million worth of crypto.
- The proposal gave the community two choices:
  - Mint 2.5 billion ONE tokens that would compensate victims for 50% of losses
  - Mint 5 billion ONE tokens that would compensate victims 100%
- The proposal faced a lot of pushback from the community as minting billions of tokens would have inflationary impacts to the token price. The proposal would inflate 19%-38% of the total token supply over the next three years.
- As a result of the criticism, the team will create additional proposals for community discussion.

# Noteworthy DeFi Protocols – The zkEVM race

## zkEVM “Types”



- The zkEVM scene has seemingly picked up steam recently with various projects announcing plans for zkEVM, including:
  - Polygon** announced its permissionless & open source zkEVM
  - ZkSync 2.0** mainnet launch by November 2022
  - Scroll** released pre-alpha zkEVM recently
- ZkEVMs are a type of zero-knowledge (ZK) rollups that acts as a layer 2 network on Ethereum that aims to reduce load and transaction fees on the Ethereum network while maintaining the security and decentralization of Ethereum.
- The zkEVM is special in that it is intended to create a similar user experience to the layer 1 Ethereum, so applications can be ported over.
- According to Vitalik, there are presently a few types of zkEVMs based on the current state of announced projects:
  - Type 1 – Fully Ethereum-equivalent: Privacy and Scaling Operations team
  - Type 2 – Fully EVM-equivalent: Nil
  - Type 3 – Almost EVM-equivalent: Polygon and Scroll (building towards Type 2)
  - Type 4 – High-level-language equivalent: ZkSync

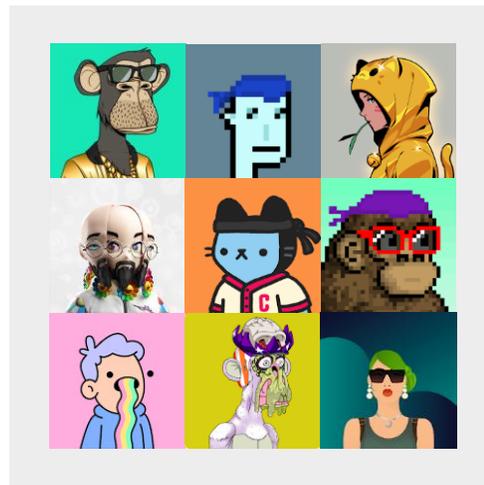
# NFT & Metaverse

## NFT & Metaverse Summary

1. **NFT Dashboard** – Floor price on blue chips retreat after stable movement in July
2. **NFT volume in ETH flat with prices of major projects declining**
3. **MagicEden launches ETH NFT support - can it steal users away from OpenSea?**
4. **NFT Worlds crashes after Minecraft bans NFTs**
5. **News & Headlines**

# NFT Dashboard

Project	Floor Price	14D	YTD
<b>“Blue Chip” Projects</b>			
Bored Ape Yacht Club	80.6Ξ	-13.5%	26.8%
CryptoPunks	74.7Ξ	-9.4%	15.6%
<b>Tier-A Projects</b>			
Azuki	8.9Ξ	-17.5%	154.3%
Clone X	7.7Ξ	-23.2%	92.8%
Cool Cats	3.0Ξ	-24.3%	-78.1%
CyberKongz Genesis	19.5Ξ	-9.3%	-66.4%
Doodles	10.4Ξ	-16.5%	57.9%
Mutant Ape Yacht Club	15.8Ξ	-9.0%	35.0%
NFT Worlds	1.1Ξ	-64.8%	-55.7%
World of Women	3.3Ξ	-18.6%	61.3%

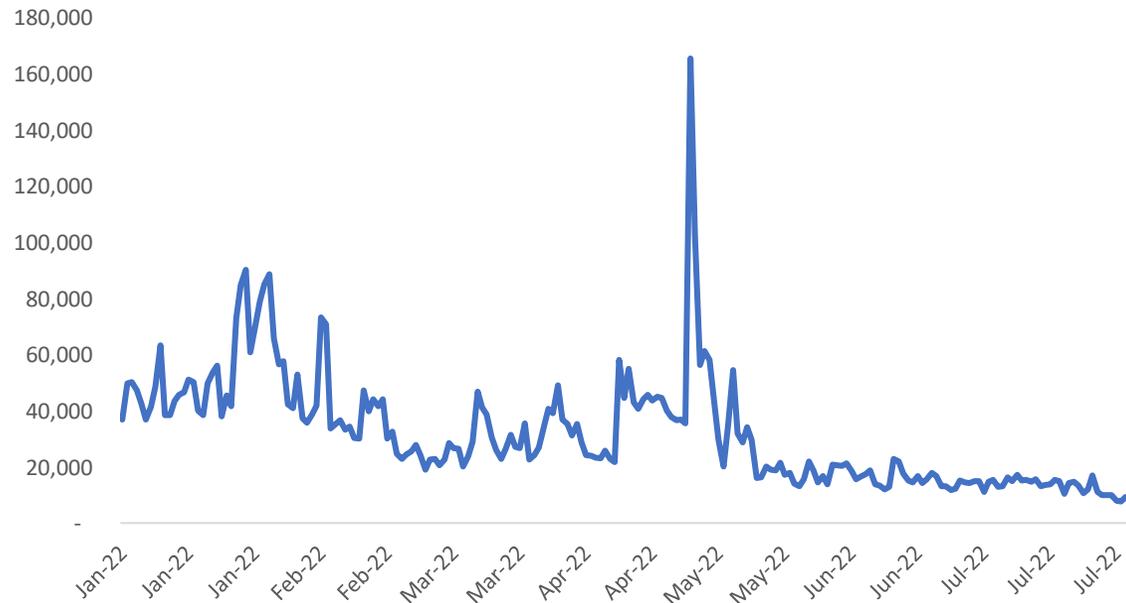


Top Sales of the Week*	Price
CryptoPunk #6874	300.0Ξ
MAYC #5652	200.0Ξ
CryptoPunk #8595	145.0Ξ
CyberBrokers Hitus	128.5Ξ
Meebit #14295	115.0Ξ
BAYC #2553	114.0Ξ
BAYC #2031	120.0Ξ
Azuki #5070	105.0Ξ
BAYC #485	102.0Ξ
CryptoPunk #616	101.0Ξ

Top Collections of the Week* (by volume)	Volume (USD)
Bored Ape Yacht Club	\$7.4m
Mutant Ape Yacht Club	\$5.8m
CryptoPunks	\$5.3m
Otherdeed	\$4.8m
Art Blocks	\$4.2m
ENS	\$3.1m
Moonbirds	\$2.8m
Azuki	\$2.4m
CloneX	\$2.3m
NBA Top Shot	\$2.2m

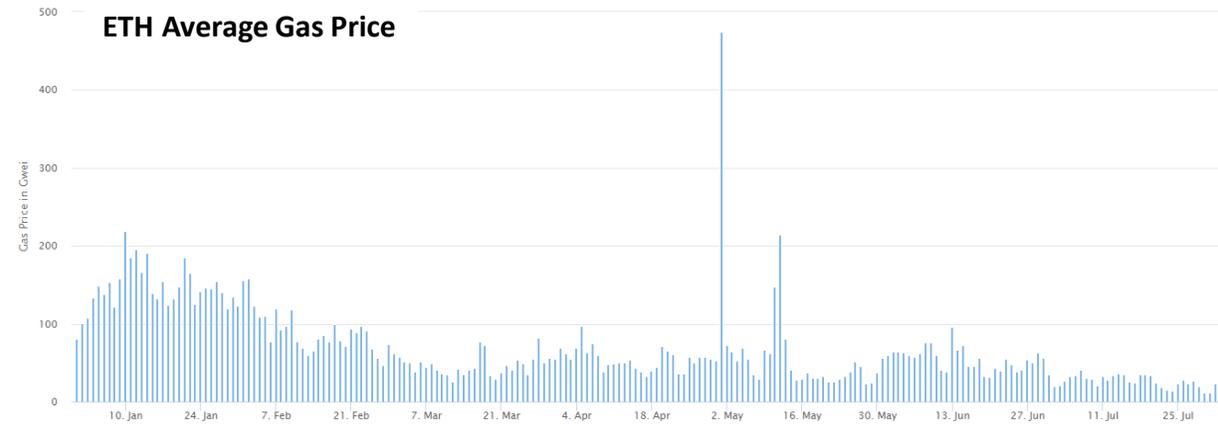
## NFT volume in ETH flat with prices of major projects declining

Daily OpenSea Volume (in ETH)

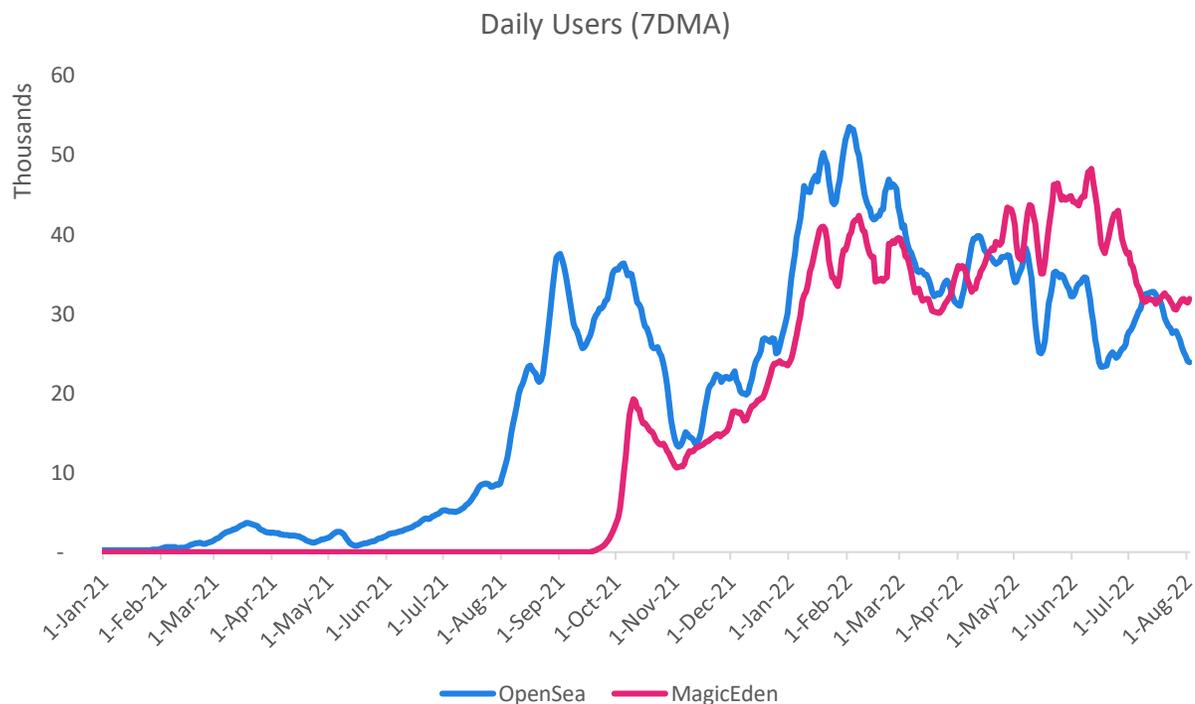


- Daily NFT volume in ETH has been relatively flat since mid-May.
- Price floors for major blue-chips have retreated after being relatively stable in July, declining 9%-24% in the past two weeks.

ETH Average Gas Price



# Can MagicEden steal users away from OpenSea?



Marketplace	Average Price per Trade*
OpenSea	US\$125.7
MagicEden	US\$31.6

- OpenSea daily users going back down as fast as it climbed, falling back to mid-June levels.
- Meanwhile, MagicEden announced that it will add support for Ethereum NFTs, officially taking on the market leader.
- MagicEden’s Ethereum NFT listings will be a pure aggregator with no proprietary listings, unlike with Solana. It will also have an Ethereum NFT launchpad, list tools, and drop calendar.



## NFT Worlds crashes after Minecraft bans NFTs

- Minecraft announced that it would ban the integration of NFTs, because the price speculative and scarce nature of NFTs are not inclusive of its community.
- Immediately after the announcement, the NFT Worlds floor price dropped ~80% from 3ETH to 0.6ETH but quickly recovered to ~1ETH, where it is currently floating at.
- The project's WRLD token has also dropped 66% after the announcement.
- The NFT Worlds project announced after that it would move to become crypto-native by building on its own platform.

### NFT Worlds Price Floor 1M Chart



### WRLD Token 1M Chart



### News & Headlines

#### **OpenSea Launches Solana NFT Launchpad**

Amid weak demand in its Solana NFTs, OpenSea has released a launchpad feature for minting Solana NFT projects. Zoonies, the first project to use the launchpad, had a sluggish start and took days to sell-out, and currently trades for below mint price on OpenSea. [[Decrypt](#)]

#### **Japanese Bank to Develop NFT Business**

Japanese bank Sumitomo Mitsui Financial Group announced that it would work together with HashPort to develop NFT and Web3 projects. [[Forkast](#)]

#### **Yuga Labs to Collect Royalties on Meebits**

After acquiring Meebits from Larva Labs in March, Yuga Labs has announced that it would begin collecting a 5% royalty on secondary sales of Meebits. This marks the end of Meebits acting as the target of wash trades on platforms like LooksRare. [[The Defiant](#)]

#### **Tiffany & Co., launches 30ETH NFTs**

Luxury jewelry maker Tiffany & Co. is launching a series of NFTs called NFTiff each at a price of 30ETH. Exclusive to CryptoPunk holders, users can redeem one of 250 NFTs for a bespoke diamond-embossed CryptoPunk pendant. [[Decrypt](#)]

#### **ApeCoin DAO Funds BAYC News Site**

The ApeCoin DAO has passed a proposal to fund the news site The Bored Ape Gazette to turn it into a 24-hour style news site, reporting news on BAYC, MAYC, BAKYC, Otherside, and other Yuga Labs related news. [[Decrypt](#)]

#### **HKUST to Launch Metaverse Campus**

The Hong Kong University of Science and Technology is building its campuses in the metaverse, allowing students to take classes and interact with each other in the metaverse. The campuses will be part of the MetaHKUST project, which will also allow students to receive their diplomas as NFTs. [[The Block](#)]

#### **American Express Invests in NFT Platform OneOf**

Sustainability-focused NFT platform one of raised US\$8.4 million in a strategic funding round, including an investment from American Express's venture arm Amex Ventures. Amex will hold an exclusive pop-up event in Turkey that will reward attendees with a free one of NFT. [[CoinDesk](#)]

# Regulatory Updates

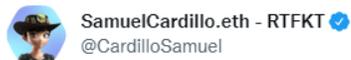
# Regulatory Updates

- The UK has introduced a bill to parliament to attempt to regulate stablecoins as a form of payment. The Financial Services and Markets Bill will phase out hundreds of EU-era law and also includes a sandbox bill that allows for testing of new technologies in isolated environments.
- The US Senate Agriculture Committee has introduced a bipartisan bill that would grant the Commodity Futures Trading Commission exclusive jurisdiction over crypto that meet commodities law.
- A US Stablecoin bill has been formally delayed until after the August congressional break. The bill is a bipartisan effort to establish US regulations for stablecoins.
- The US SEC is investigating Coinbase on insider trading as well as the listing of nine tokens that it says could be securities without providing further definitions and rules regarding digital asset securities.
- In an unusual public statement, members of the Commodity Futures Trading Commission in the US called for more regulatory collaboration after the SEC lodged a digital assets insider trading case against Coinbase.
- The Taiwan Financial Supervisory Commission is set to ban the use of credit cards for crypto purchases, with reports that the regulator has asked credit card agencies to stop bringing on crypto platforms as merchants.
- California has overturned a near four-year ban against political crypto donations, allowing offices the right to raise funds using crypto. Crypto contributions will need to be verified via name, address, and other KYC details.
- Thailand is planning to tighten supervision of digital-asset firms after recent market turmoil. The Securities & Exchange Commission is looking to include stricter qualifications for management and licensing of crypto custodians, among other proposals.
- FTX said it has gained full approval to operate its exchange and clearinghouse in Dubai. It will start to offer regulated crypto products and services to institutional investors in Dubai.

# Notable Tweets

# Notable Tweets

## Words from RTFKT CTO



SamuelCardillo.eth - RTFKT  
@CardilloSamuel

What the hell @Minecraft? The reasoning behind the announcement is the most stupid & old-school I have ever seen.

I am confident in @iamarkdev to bounce back and gives @nftworldsNFT the future it deserves. Crazy to see @Microsoft going full backward honestly.

1:19 AM · Jul 21, 2022 · Twitter Web App

156 Retweets 8 Quote Tweets 561 Likes

## CZ doesn't like Bloomberg



CZ - Binance  
@cz\_binance

Replying to @cz\_binance @crypto and @ThinkingCrypto1

Bloomberg: hey, we will do a nice profile piece on you, invite you for photoshoots, etc. Then switches the story last minute. Ignore all positive comments they got from 3rd parties. Picked only old negatives. And still puts you on the cover. WTF!? Unprofessional.

2:41 AM · Jun 25, 2022 · Twitter Web App

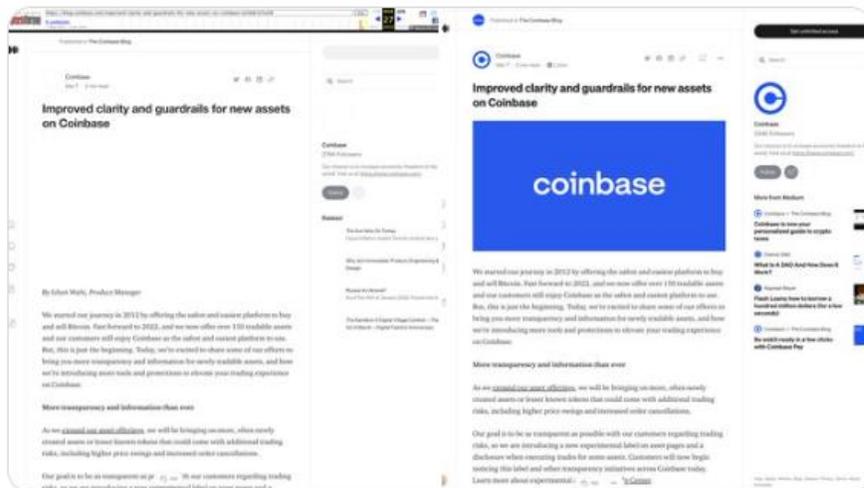
201 Retweets 23 Quote Tweets 2,015 Likes

## Insider trader wrote new listing posts on Coinbase



Edgar  
@OxEdgar

lol coinbase edited his name out of the blogpost



3:32 AM · Jul 22, 2022 · Twitter Web App

66 Retweets 15 Quote Tweets 751 Likes

## Re the Nomad Bridge hack



CoinMamba  
@coinmamba · 10m

I don't understand how these projects keep raising millions of dollars and still fail to build a secure platform. Where does this all money go?

27

3

84



## Insider trader tried to flee the US



db  
@tier10k

Bro tried to flee the US after the @cobie tweet

ISHAN WAHI's Attempt to Flee the United States

15. Shortly after SAMEER RAMANI, the defendant, traded in advance of Coinbase's listing announcement on April 11, 2022, on or about April 12, 2022, a Twitter account that is well known in the crypto community, with hundreds of thousands of followers, tweeted that it had identified an Ethereum blockchain wallet "that bought hundreds of thousands of dollars of tokens exclusively featured in the Coinbase Asset Listing post about 24 hours before it was published." The trading activity referenced in the April 12, 2022 tweet was the trading caused by RAMANI on or about April 11, 2022. On April 13, 2022, Coinbase's Chief

db @tier10k · Jul 21

[DB] EX-COINBASE MANAGER ARRESTED IN US CRYPTO INSIDER TRADING CASE: BBG

Show this thread

11:17 PM · Jul 21, 2022 · Twitter Web App

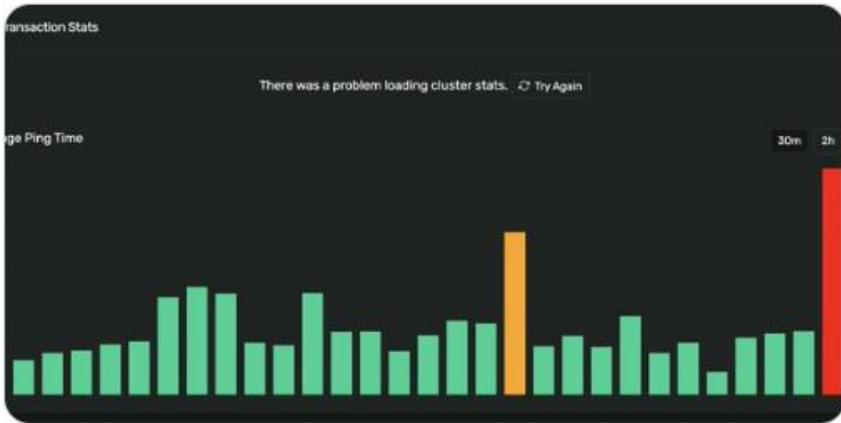
## Solana wallet drain – supply chain issue?

 **PeckShieldAlert** @PeckShieldAlert · 2h  
**#PeckShieldAlert** The widespread hack on Solana wallets is likely due to the supply chain issue exploited to steal/uncover user private keys behind affects wallets. So far, the loss is estimated to be \$8M, excluding one illiquid shitcoin (only has 30 holds & maybe misvalued \$570M)

## Trying to stop the hacker

 **mert | Helius** 🌞 @OxMert\_ · 2h  
Imao you can't make this up - some madlad started DOSing the hacker which caused the RPC nodes to start failing

FYI - the chain is fine



## Two hacks in two days...

 **foobar** @0xfoobar · 5h  
Congratulations to everyone who saw through the misdirection and correctly passed Phantom, the second stage of the Paradigm CTF challenge!

If you thought npm injections were a step up from calldata copying, just wait 'til you see what's in store for Day 3 🐱

 **foobar** @0xfoobar · Aug 2  
Congratulations to everyone who passed Nomad, the first stage of the Paradigm CTF challenge!

Please assemble around the Uniswap V3 contract tomorrow at 5pm UTC for your next task

## Been a bad week

 **The Metaverse** @themetav3rse

This week, we had:

- \$190m+ worth of crypto drained from Nomad cross-chain
- 8k+ Solana Wallets compromised with an on-going hack
- OpenSea's gifting feature takes a turn for the worst, as people buy items on the behalf of @garyvee, @pranksy, and other influencers

Stay safe.

1:45 PM · Aug 3, 2022 · Twitter for iPhone

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