

# Web3.0 Biweekly

10 June 2022 | AMTD Research



**Michelle Li**  
[michelle.li@amtdgroup.com](mailto:michelle.li@amtdgroup.com)

**Brian Li**  
[brian.li@amtdgroup.com](mailto:brian.li@amtdgroup.com)

**Eugene Chin**  
[eugene.chin@amtdgroup.com](mailto:eugene.chin@amtdgroup.com)

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d NFT & Metaverse – Blue-chip prices stable while new & “degen projects” take on higher relative volume

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# Market Performance

## Summary

### 1. One-Year Price Recap

### 2. Layer 1 Price Recap (26 May – 8 June 2022)

- ADA outperformed reflecting community excitement for upcoming Vasil hard fork
- BNB declined amid SEC probe over BNB ICO
- SOL underperformed due to yet another outage

### 3. Protocols Price Recap (26 May – 8 June 2022)

- ENS outperformed after a turbulent two weeks
- CVX declined partly due to concerns regarding FRAX sell pressure
- OSMO continued to underperform amid concerns of token supply inflation and lack of fees

## One-Year Layer-1 Price Recap

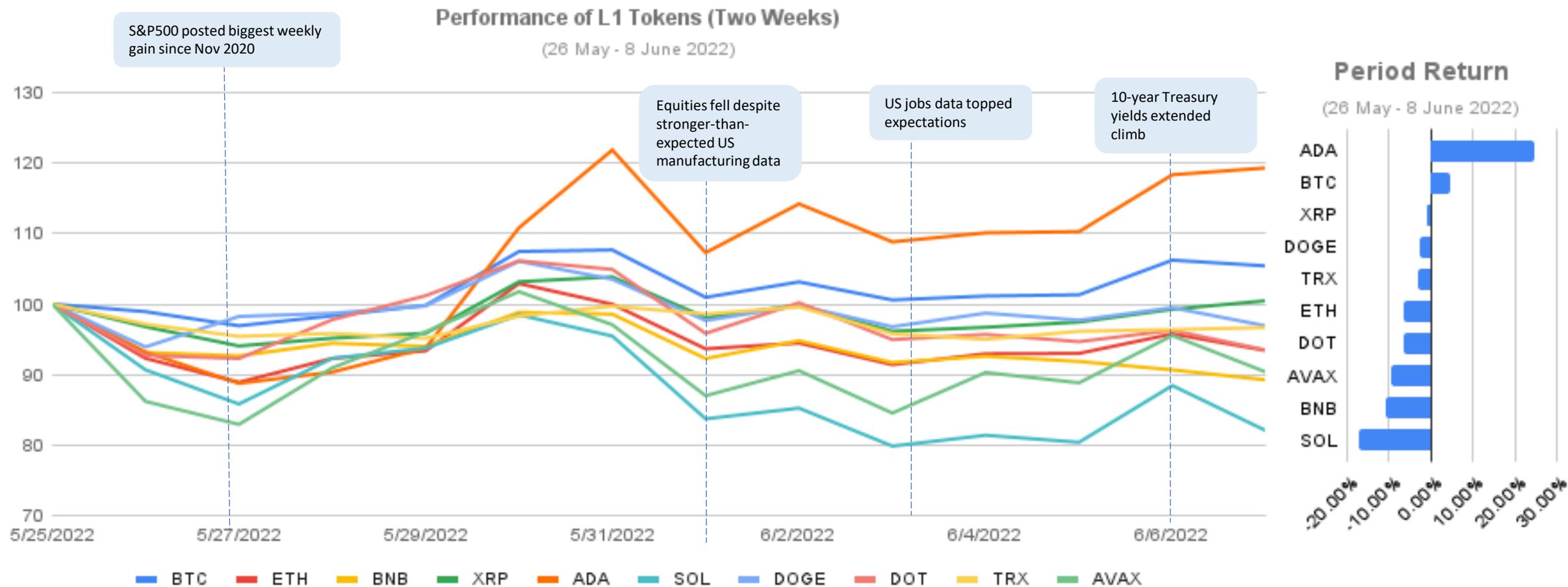
### Performance of Top-Ranking Crypto (One Year)

(8 June 2021 = 100)



## Layer-1 Price Recap (26 May – 8 June 2022)

- ADA outperformed reflecting community excitement for upcoming Vasil hard fork
- BNB declined amid SEC probe over BNB ICO
- SOL underperformed due to yet another outage

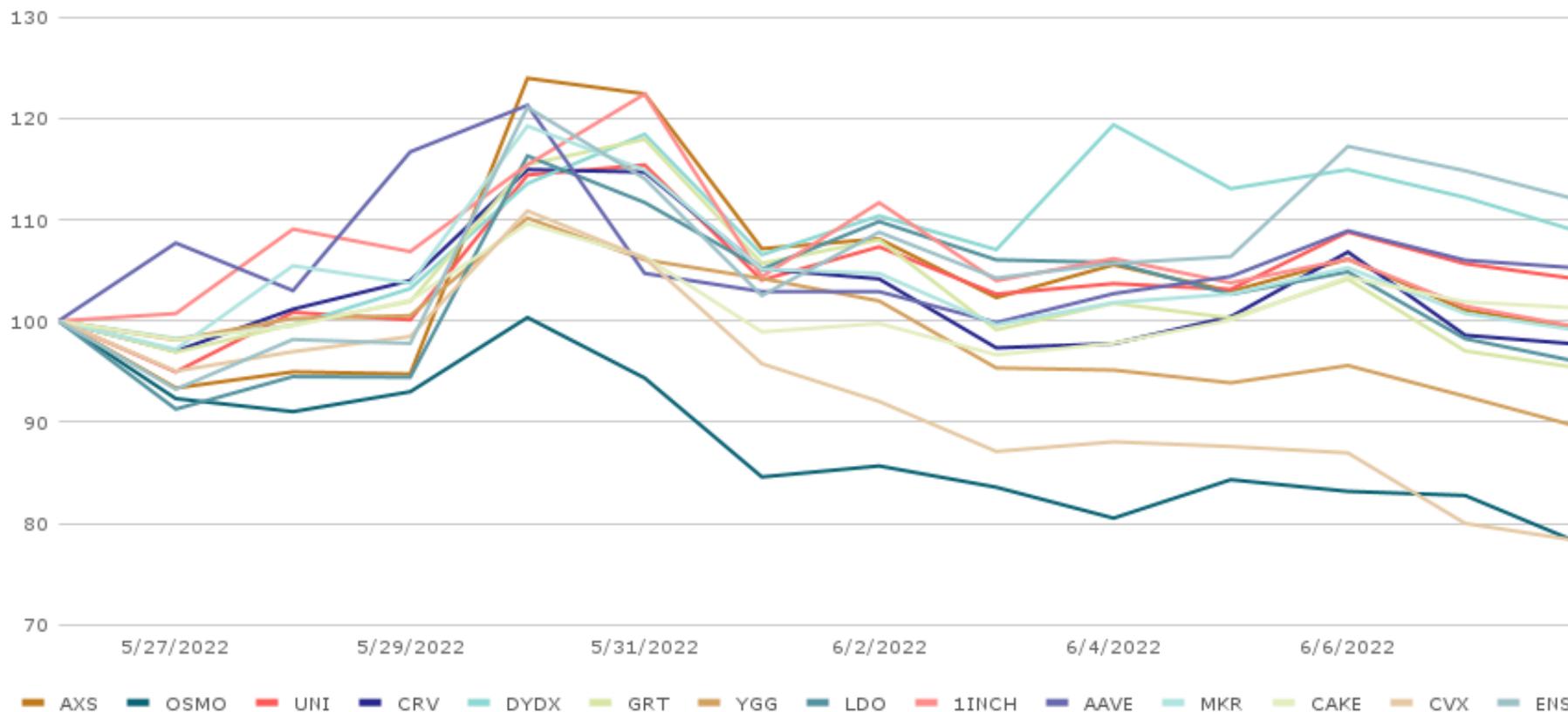


## Protocol Price Recap (26 May – 8 June 2022)

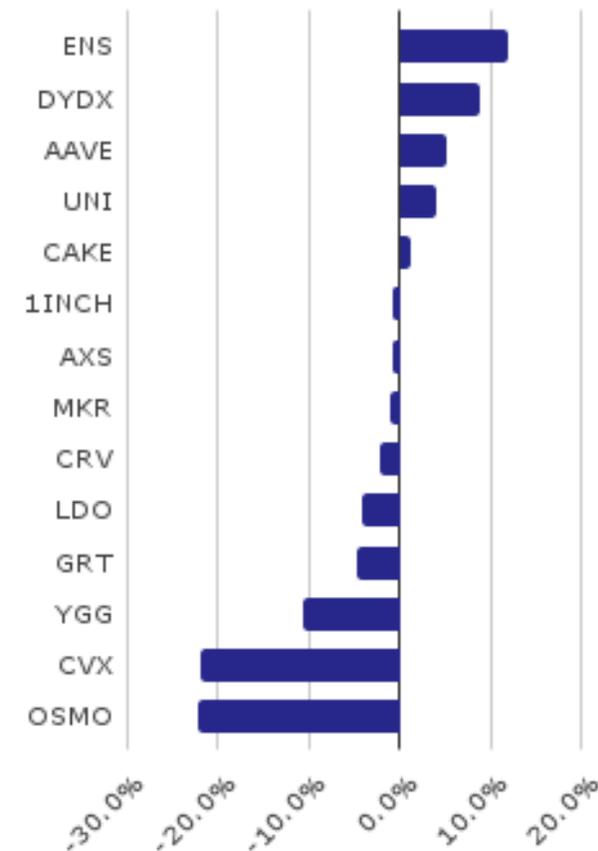
- ENS outperformed after a turbulent two weeks
- CVX declined partly due to concerns regarding FRAX sell pressure
- OSMO continued to underperform amid concerns of token supply inflation and lack of fees

Performance of Protocol Coins (Two Weeks)

(26 May - 8 June 2022)



Period Return  
(26 May - 8 June 2022)



# Layer-1 Blockchains

# Layer-1 Summary (26 May – 8 June 2022)

### 1. **Bitcoin (2W: 5.4%)/(YTD: -33.5%)**

Miners facing headwinds

Bitcoin sees daily net inflow to exchanges as users and miners continue to move to sell

### 2. **Ethereum (2W: -6.7%)/(YTD: -51.2%)**

Testnet Merge Complete After Minor Hurdles

Users starting to move ETH balance to exchanges, signaling potential sell pressure

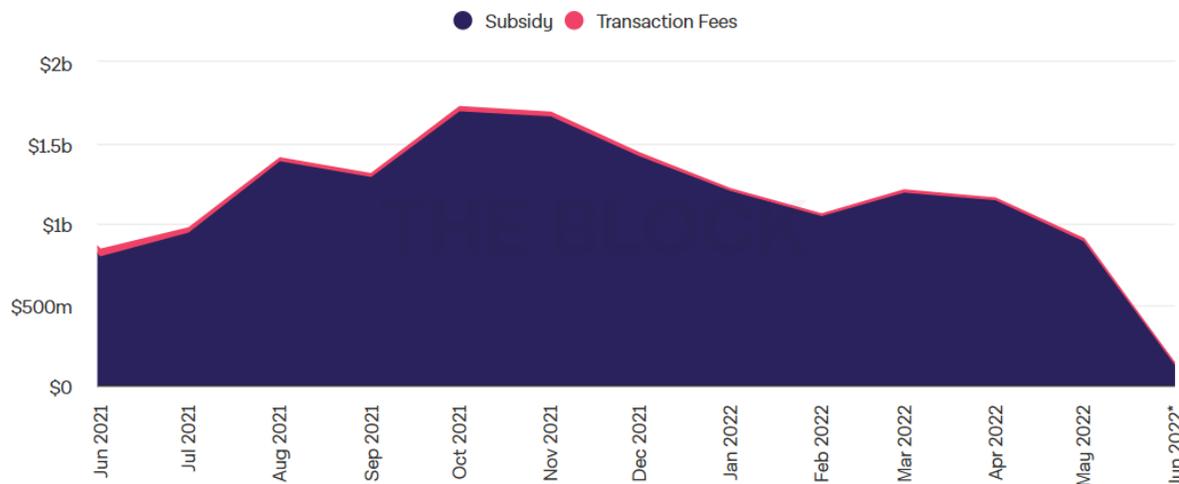
Short Liquidations Reached 3-Year High

### 3. **News and Headlines**

# Bitcoin Miners Facing Headwinds



Bitcoin Miner Revenue (Monthly)

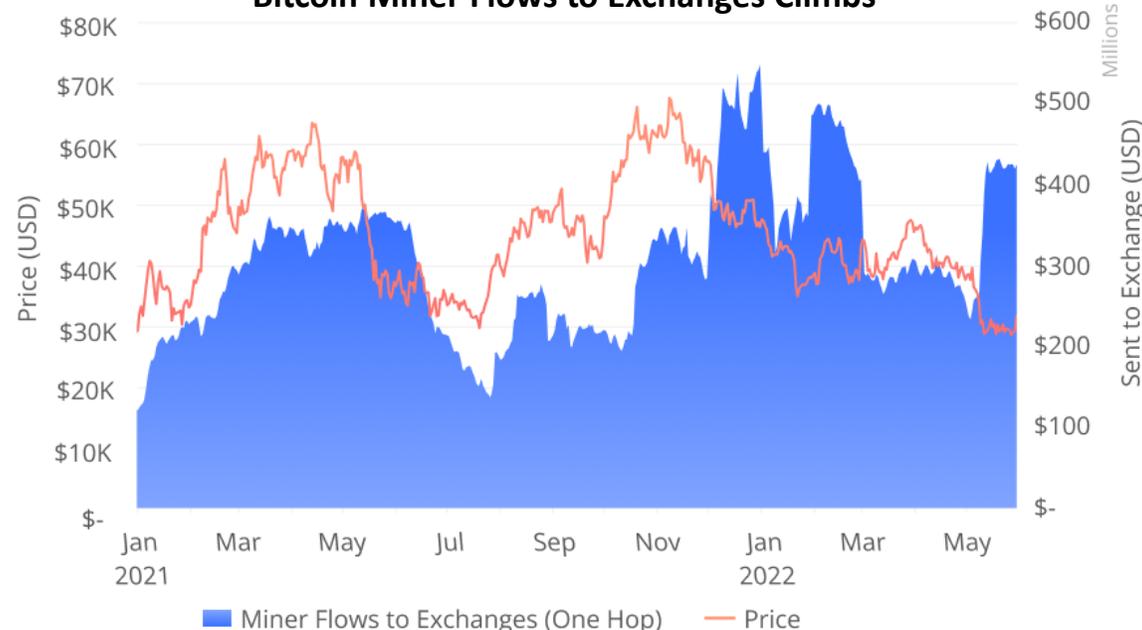


SOURCE: COIN METRICS  
 UPDATED: JUN 6, 2022

ZOOM ALL YTD 12M

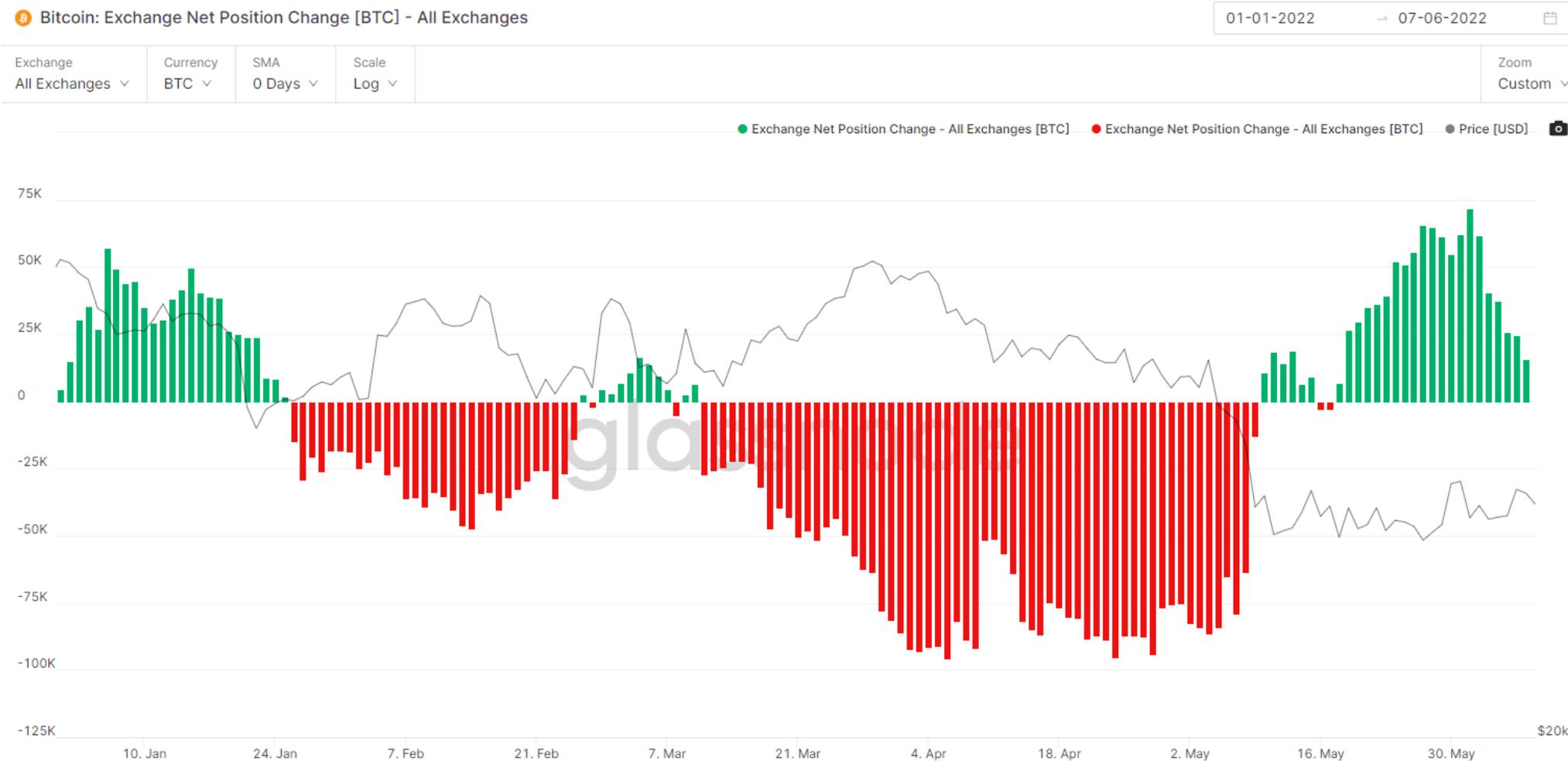
- Bitcoin mining revenue fell by 22% in May to US\$906m amid declining prices in the wider market.
- Mining revenue has declined 47% since October 2021, when Bitcoin reached \$66,000. It has been trading around ~\$30,000 in the past two weeks.

Bitcoin Miner Flows to Exchanges Climbs



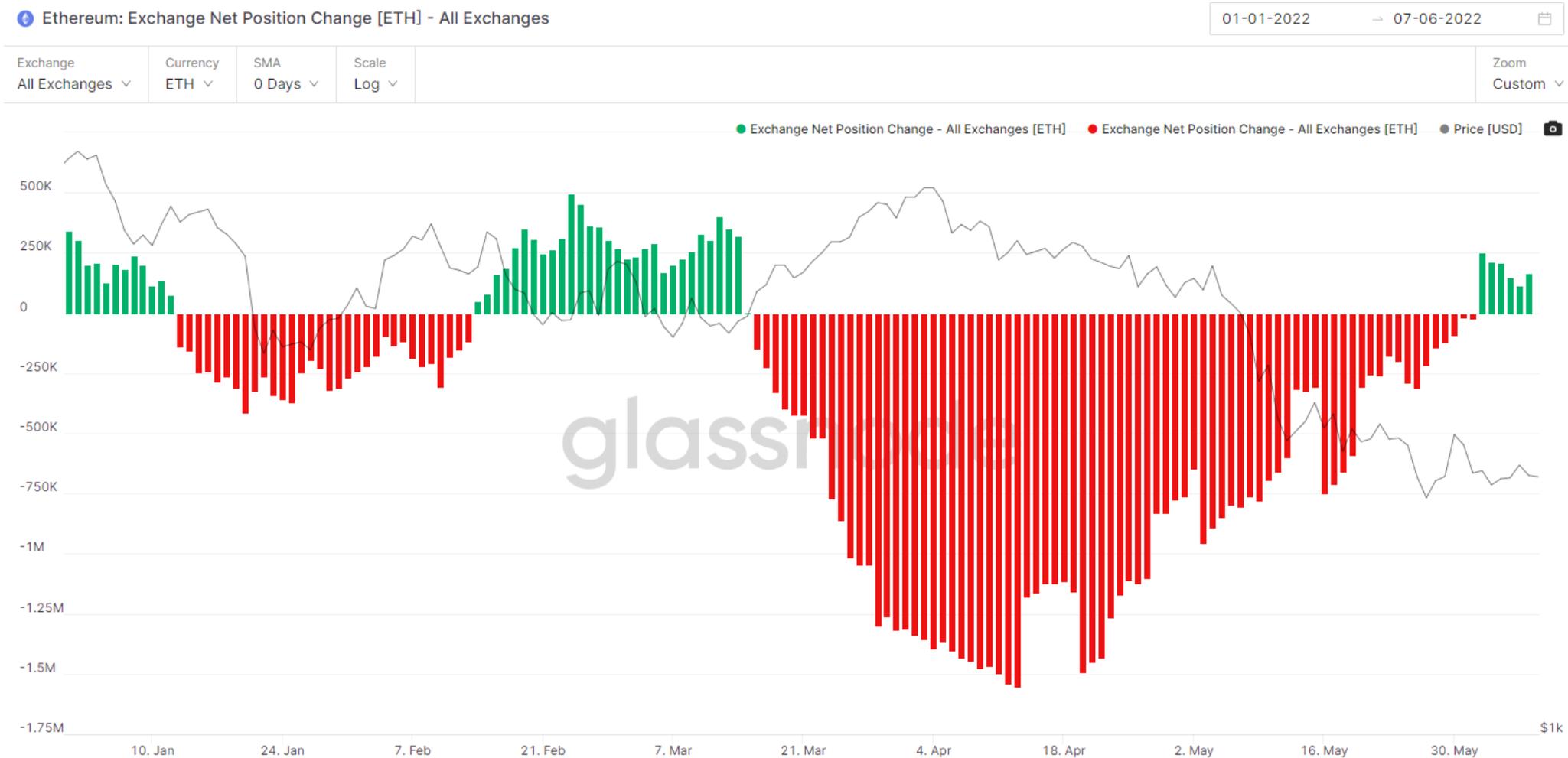
- The 30-day moving average of Bitcoin sent to exchanges from miners exceeded US\$400m in early June as Bitcoin miners prepare to weather a potentially prolonged market downturn.
- Miners such as Riot Blockchain and Cathedra Bitcoin have sold part of its Bitcoins to restructure and strengthen its balance sheet.

Bitcoin sees daily net inflow to exchanges as users and miners continue to move to sell





## Users starting to move ETH balance to exchanges, signaling potential sell pressure



## Ethereum – Short Liquidations Reached 3-Year High

- US\$686m worth of short positions in ETH were liquidated on June 6, an all-time high since data was made available three years ago.
- The prior high was US\$527m on 30 May 2021.
- Ethereum prices rose ~5% on the day, reaching US\$1,911, but fell sharply in subsequent periods.

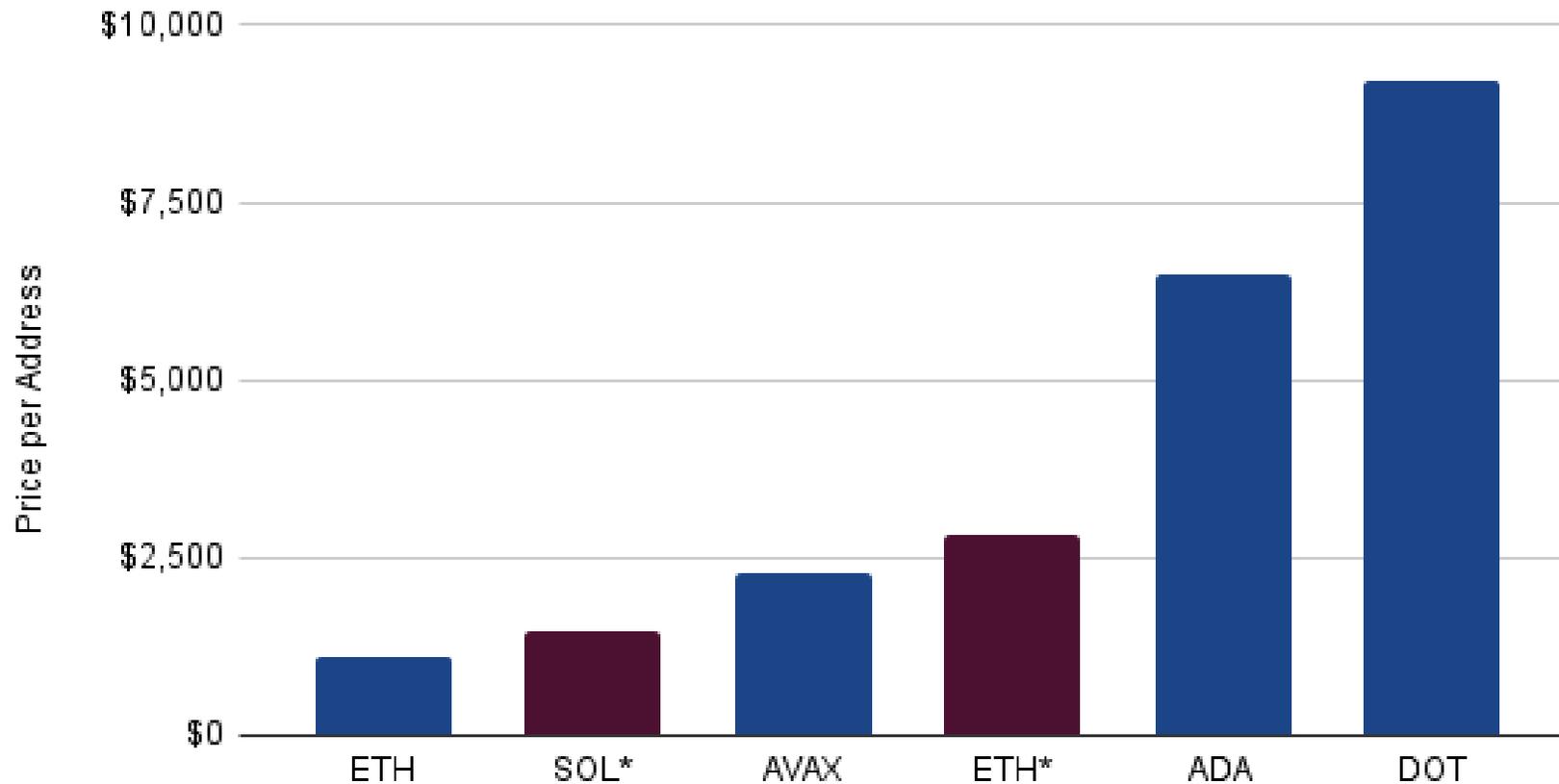
Ethereum: Short Liquidations USD - All Exchanges, All Symbol



# Price Per Unique Address

## Price per Address

As of: 8 June 2022



\*Price per non-zero address

ETH has the lowest price per unique address, but since it jumps by 2.6x if we only factor in addresses with a non-zero balance, SOL is the most undervalued in this case.

Note: Number of wallets per user could very different across different Layer 1 networks

# News & Headlines

### **Vitalik Introduces Soulbound Tokens**

The creator of Ethereum recently published a paper on soulbound tokens, a new type of ETH token standard in the form of non-transferable NFTs. It will provide insights to a user's profile, accomplishments, activities, credentials, etc, akin to a glimpse into their soul. [[CryptoSlate](#)]

### **Starkware Quadruples Valuation**

Layer 2 solutions developer StarkWare has quadrupled its valuation in half a year to US\$8 billion after its latest funding round raised US\$100 million. The round was led by Greenoaks Capital and Coatue. Starkware is known for its ZK-Rollup solution StarkNet. [[BlockWorks](#)]

### **JP Morgan Says Crypto is its Preferred Alternative Asset Class**

Crypto has replaced real estate as the U.S. bank's preferred alternative asset class, as analysts maintain higher degree of caution for private equity and real estate asset classes. Analysts at the bank maintains a fair value for Bitcoin of US\$38,000 [[Blockworks](#)]

### **FTX Overtakes Coinbase in Market Share**

FTX had the largest share of fiat exchange volume in May with 27% market share, overtaking the lead held by Coinbase. It translates to approx. US\$89b in volume, though it still trails behind crypto-only Binance which did US\$532b in volume in May. [[The Block](#)]

### **Binance Launches US\$500m Fund**

Binance Labs, the investing arm of Binance, launched a US\$500m fund in partnership with investors like DST Global Partners and Breyer Capital to invest in the broader crypto, web3, and blockchain sectors. The fund will invest in projects across various stages — incubation, early-stage and late-stage growth. [[CoinTelegraph](#)]

### **Coinbase Rescinds Offers Due to Market Conditions**

Coinbase announced that, in addition to an earlier hiring freeze, it has rescinded a number of offers to new hires in response to the market downturn. Coinbase is not alone as Gemini is also cutting headcount as the market prepares for a prolonged crypto winter. [[Coinbase](#), [CryptoSlate](#)]

### **Solana Goes Down Again**

Solana suffered a 4.5-hour outage on June 1<sup>st</sup> due to a bug which caused validators to stop producing blocks. The Solana token dropped 11% in the 24 hours after the outage, though it has recovered most of the decline following the wider market gains. [[Blockworks](#)]

### News & Headlines

#### **JP Morgan Trials Private Blockchain**

JP Morgan is testing its private blockchain for collateral settlements. This will allow clients to pledge a wider range of assets as collateral as well as use them outside of trading hours. [[Bloomberg](#)]

#### **PayPal Announces Support for Crypto Transfers**

PayPal announced that its users will now be able to transfer cryptocurrencies purchased in their accounts out to other wallets and exchanges. [[TechCrunch](#)]

#### **Solana Launches US\$100m Fund for Korean Startups**

Solana announced a new US\$100m fund targeting Korean web3 startups, which will be used to invest with a focus in gaming, NFT, and DeFi startups. The Solana Foundation mentioned that Korea is at the forefront of web3 game design and development. [[The Block](#)]

#### **Grayscale Hires Former Solicitor General for ETF Push**

In its latest move to push for SEC approval regarding its commitment to convert OTC trust GBTC to ETF, Grayscale has hired Donald B. Verrilli Jr., the solicitor general under President Obama, who represents the US government in cases before the Supreme Court. Grayscale has spent a lot of effort and time in trying to convince the SEC to approve the conversion of the trust. [[The Block](#)]

#### **Samsung Launches Discord Server in Web3 Push**

In its next step to connect the brand with the web3 community, Samsung US announced that it would launch a new Discord server that will allow users to interact and get exclusive access to products, events, and NFTs. [[Samsung](#)]

#### **Aurora Labs Rewards US\$6m to White-Hat Hacker**

Aurora, an EVM-compatible platform on the NEAR Protocol, paid a US\$6m bounty to a white-hat hacker who discovered and reported a critical bug which could have allowed a malicious hacker to drain more than 70,000 ETH from the protocol, which was worth ~US\$210m when the bug was reported. [[The Block](#)]

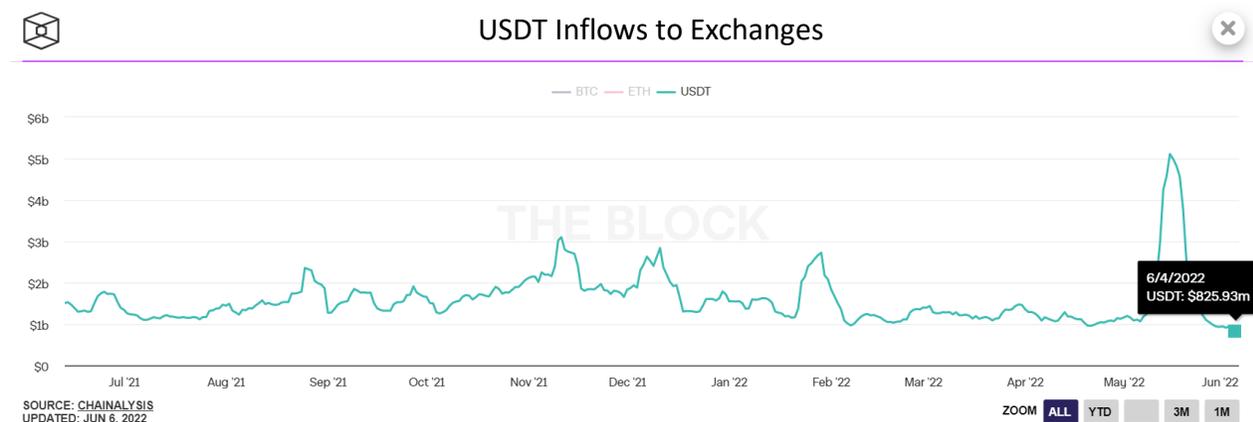
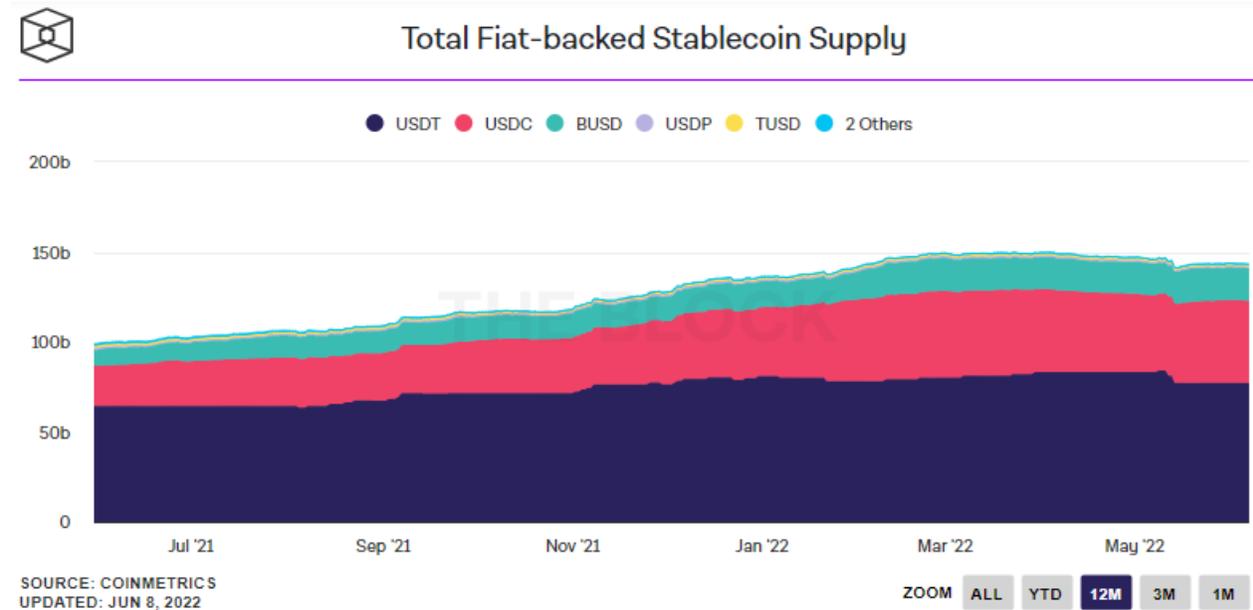
# Stablecoins

## Stablecoins Summary (26 May – 8 June)

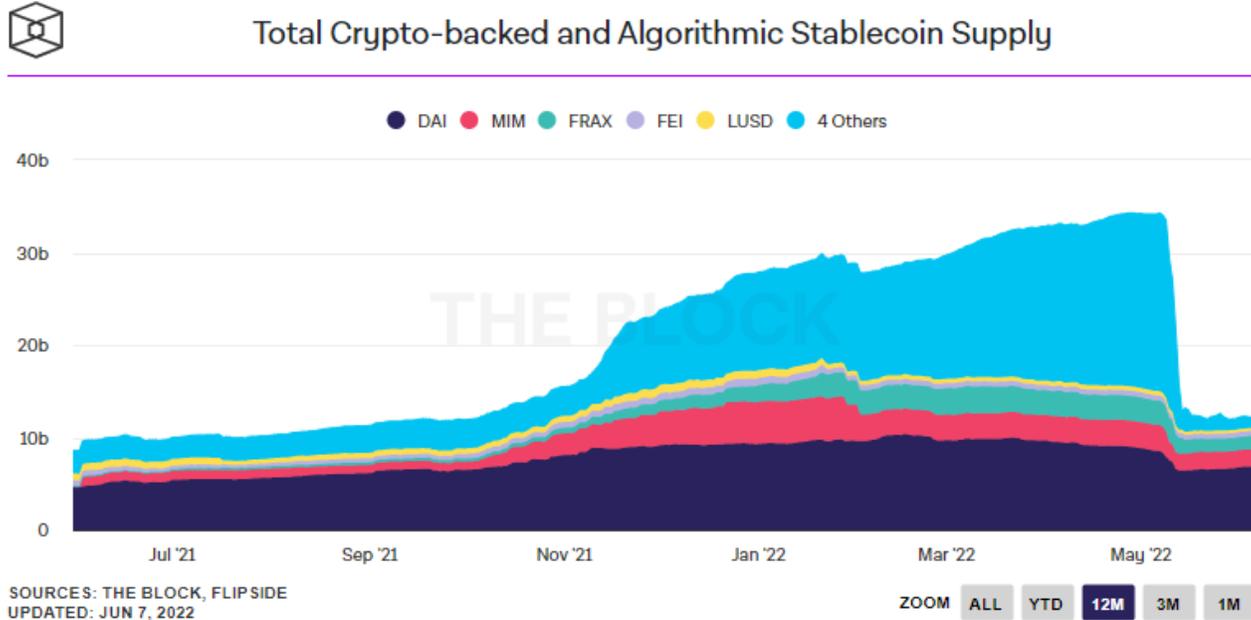
- 1. Centralized Stablecoins**  
Supply levels off; flows to exchanges hit lowest levels
- 2. Decentralized Stablecoins**  
USDD becomes overcollateralized

## Centralized Stablecoin Updates – Supply Levels Off, Flows to Exchanges Hit Lowest Levels

- Following a tumultuous month that saw the disappearance of the once-third largest stablecoin UST and depegging scares surrounding juggernaut USDT, stablecoin supply seems to have leveled off.
- In the past two weeks:
  - Total stablecoin supply decreased just 0.8% to US\$154.7b, implying earlier periods of stablecoin outflow should be behind us.
  - USDC supply increased ever so slightly at around 1%. The rise was offset by declines in other stables, namely BUSD (-1%)
  - USDT supply was roughly unchanged, compared to ~US\$10b in redemptions in the prior 3-4 weeks.
  - Daily USDT flows to exchanges fell below US\$830m, the lowest it has ever been.



# Decentralized Stablecoin Updates – USDD Becomes Overcollateralized



- USDD, the algorithmic stablecoin by Tron founder Justin Sun, has modified its approach to prevent a downfall like UST-LUNA (which has a near-identical arbitrage/redemption model) by overcollateralizing its stablecoin through the TRON DAO Reserve.
- The TRON DAO Reserve includes BTC, TRX, and stablecoins like USDC, USDT, TUSD, and USDJ.
- According to the TDR website, its real-time collateral ratio is ~204% (US\$1.4b in reserves backing US\$703m of USDD).
- However, the collateral ratio is closer to 82% if we omit total TRX burnt and TRX held in reserve.

<p><b>Total TRX Burnt</b></p> <p><b>8,718,566,088 TRX</b></p> <p>≈ \$ 703,094,264</p> <p>TRX Burning Contract</p> <p>TNMcQVGPzqH9ZfMCSY4PNrukevtDgp24dK</p>	<p><b>Reserves</b></p> <p><b>\$ 733,343,447</b></p> <table border="0"> <tr> <td>ETC 14,040.6</td> <td>USDT 140,000,000</td> <td>TRX 1,906,000,176</td> </tr> </table> <p><a href="#">Details</a></p>	ETC 14,040.6	USDT 140,000,000	TRX 1,906,000,176	<p><b>Collat. Ratio</b></p> <p><b>204.3 %</b></p> <p>The stability and security of USDD are ensured by the over-collateralization of multiple mainstream cryptocurrencies.</p>	<p><b>Total USDD Supply</b></p> <p><b>\$ 703,094,264</b></p>
ETC 14,040.6	USDT 140,000,000	TRX 1,906,000,176				

# DeFi

# DeFi Summary (26 May – 8 June 2022)

## 1. TVL by chains

- TVL on Most Chains Declined, Tron Continues Gain

## 2. TVL by protocols

- JustLend outperformed from sustained USDD growth
- PancakeSwap led losses amid volatile prices (CAKE, BNB) and outflow of stables

## 3. Top DEX pools

- Liquidity decline begins to slow after eventful month

## 4. Top pools in terms of TVL/Top APY pool - Yield Farming

- Frax pool takes fourth as TVL gains

## 5. DeFi revenue

- Sea of red as DeFi activity continues weekly decline; NFT platform volumes rise due in part to “degen mints”.
- ENS revenue falls as .ETH domain hype cools

## 6. Noteworthy DeFi Protocols (Uniswap, Optimism, Mirror, Maia)

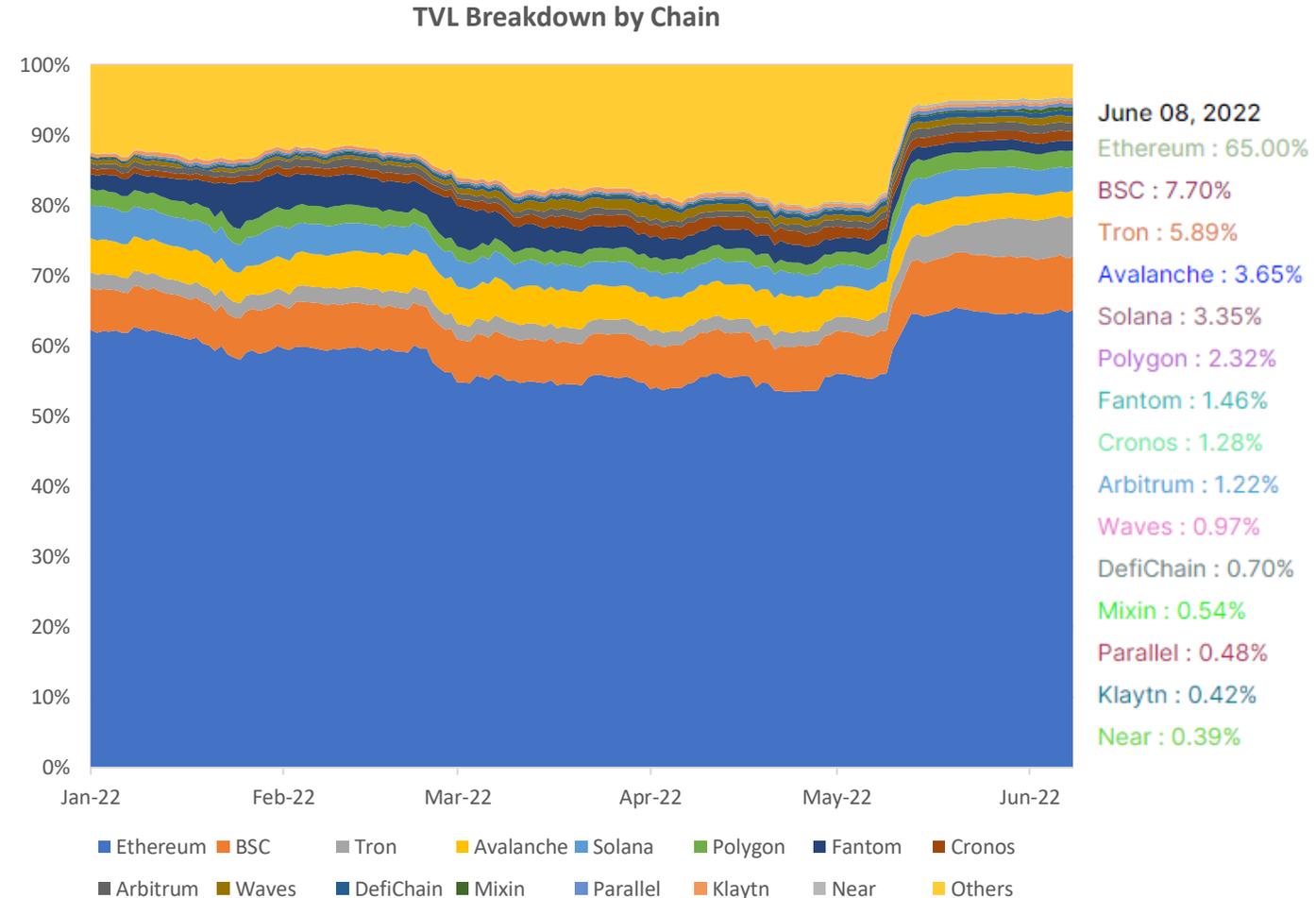
- Uniswap’s Dominance Rises
- Optimism’s Turbulent Token Launch
- One Exploit After Another

## TVL Overview by Chain – TVL on Most Chains Declined, Tron Continues Gain

Total TVL leveled off around ~US\$110b during the prior three weeks, likely driven by similar action in crypto prices

During the period, notable winners/losers were:

- TVL on most chains declined, with Cronos leading a 16.7% drop to US\$1.4b, though it has recently announced a 10-week accelerator program with US\$100m in funding to boost growth.
- Solana and BSC TVL dropped 13.5% and 10% respectively, with Solana plagued with outage issues and BSC-related Binance being investigated by US authorities regarding its BNB coin.
- Tron was one of the rare gainers with a 7.7% increase in TVL to US\$6.3b. It recently announced that USDD will become overcollateralized.

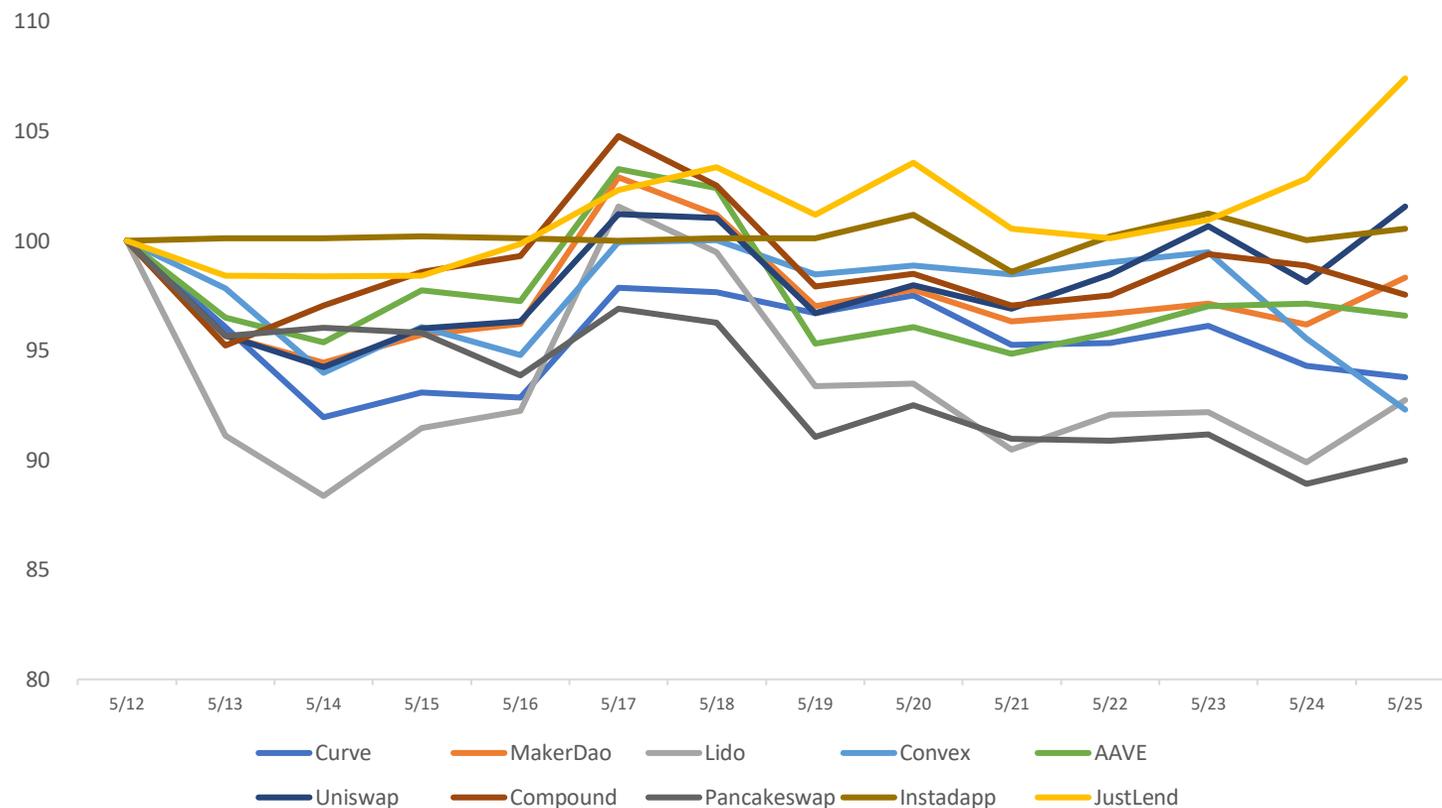


## TVL Overview by Protocols

-JustLend outperformed from sustained USDD growth

-PancakeSwap led losses amid volatile prices (CAKE, BNB) and outflow of stables

TVL of Top DeFi Protocols in Terms of TVL  
(26 May 2022 = 100)



Procotols	5/26/2022	6/8/2022	Period Change
JustLend	2,850,151,699	3,060,878,171	7.4%
Uniswap	5,896,343,377	5,987,412,605	1.5%
Instadapp	2,508,780,212	2,522,515,494	0.5%
MakerDAO	9,815,132,794	9,648,849,630	-1.7%
Compound	4,130,378,571	4,028,257,331	-2.5%
Aave	8,679,596,082	8,383,290,132	-3.4%
Curve	9,121,429,317	8,552,204,165	-6.2%
Lido	8,372,244,522	7,762,697,038	-7.3%
Convex	5,365,347,085	4,951,221,672	-7.7%
Pancake	4,239,447,047	3,814,711,967	-10.0%

## Top DEX Pool Trends

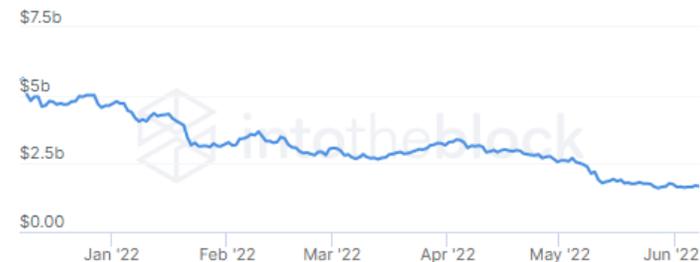
- Liquidity decline begins to slow after eventful month

### Uniswap

Top Pairs ?

#	Pair/Pool	Liquidity	Volume	Fees	ROL
1	USDC - ETH	\$156.92m	\$16.58m	\$49.75k	11.57%
2	DAI - USDC	\$131.82m	\$527.24k	\$1.58k	0.44%
3	WISE - ETH	\$131.59m	\$24.38k	\$73.15	0.02%
4	FEI - TRIBE	\$108.96m	\$190.07k	\$570.21	0.19%
5	ETH - USDT	\$81.16m	\$8.47m	\$25.41k	11.43%
6	FXS - FRAX	\$55.34m	\$6.57m	\$19.7k	12.99%
7	FNK - USDT	\$29.88m	\$49.05	\$0.15	0.00%
8	MC - ETH	\$29.6m	\$1.13m	\$3.39k	4.17%
9	PAXG - ETH	\$21.85m	\$1.14m	\$3.41k	5.70%
10	UNI - ETH	\$20.98m	\$522.63k	\$1.57k	2.73%

#### Liquidity Provided

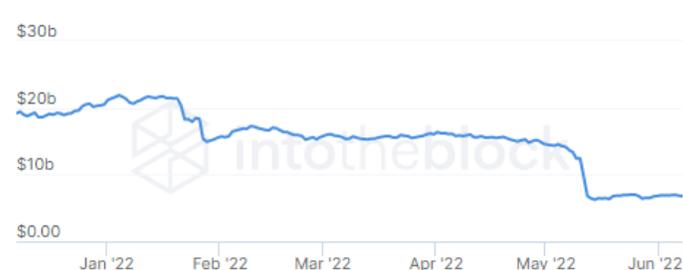


### Curve

Top Pools ?

#	Pool	Liquidity	Volume	Fees	ROL
1	3pool	\$1.66b	\$91.69m	\$6.96k	0.15%
2	frax	\$1.58b	\$10.68m	\$5.01k	0.19%
3	steth	\$1.47b	\$24.55m	\$8.06k	0.20%
4	tricrypto2	\$463.94m	\$58.44m	\$36.13k	2.78%
5	mim	\$321.53m	\$1.8m	\$616.08	0.11%
6	ib	\$183.6m	\$0.00	\$3.77	0.00%
7	alud	\$124.28m	\$10.97k	\$45.06	0.08%
8	ren	\$114.22m	\$1.19m	\$239.02	0.08%
9	susd	\$109.45m	\$67.55m	\$13.91k	4.65%
10	compound	\$99.73m	\$0.00	\$12.10	0.00%

#### Liquidity Provided

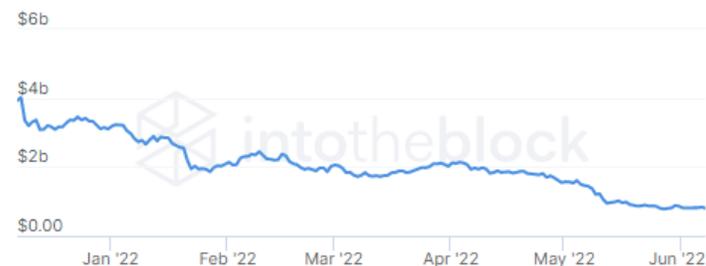


### SushiSwap

Top Pairs ?

#	Pair/Pool	Liquidity	Volume	Fees	ROL
1	ILV - ETH	\$158.97m	\$1.48m	\$4.45k	1.02%
2	USDC - ETH	\$99.75m	\$8.93m	\$26.78k	9.80%
3	WBTC - ETH	\$58.82m	\$1.19m	\$3.56k	2.21%
4	ETH - USDT	\$39.54m	\$3.08m	\$9.23k	8.52%
5	OHM - DAI	\$36.45m	\$2.15m	\$6.44k	6.45%
6	TOKE - ETH	\$30.04m	\$130.85k	\$392.56	0.48%
7	DAI - ETH	\$22.65m	\$1.86m	\$5.58k	8.99%
8	SUSHI - ETH	\$18.01m	\$527.97k	\$1.58k	3.21%
9	BIT - ETH	\$15.24m	\$1.12m	\$3.36k	8.06%
10	AAVE - ETH	\$14.59m	\$263.02k	\$789.06	1.97%

#### Liquidity Provided

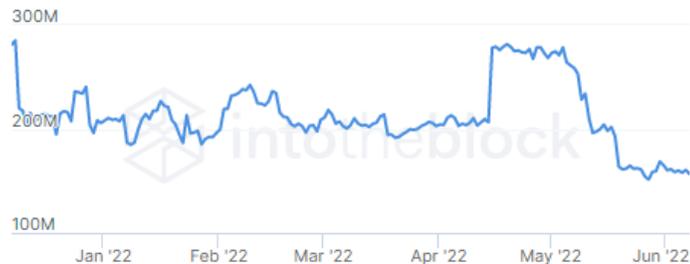


## Top DEX Pool Trends – Market sentiment on DeFi causes trading volume to remain depressed

### Uniswap

Top Pair Data: USDC - ETH

Total Liquidity, USD



Volume Traded



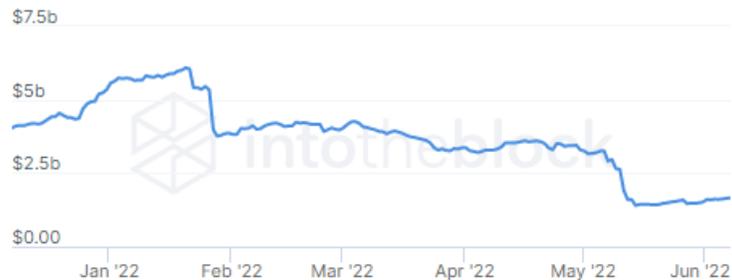
Fees per Liquidity



### Curve

Top Pair Data: 3pool

Total Liquidity, USD



Volume Traded



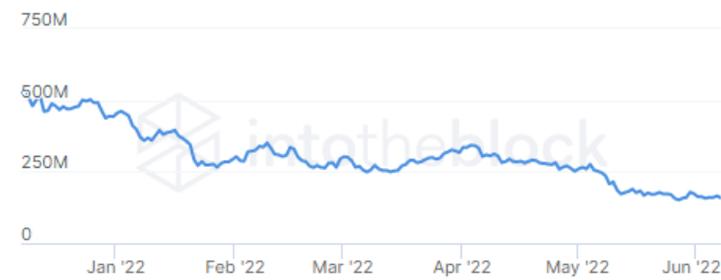
Fees per Liquidity



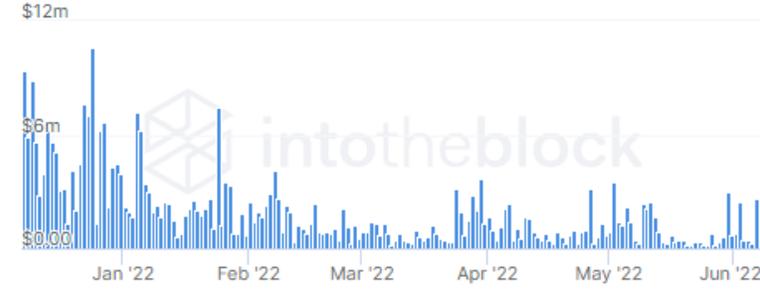
### SushiSwap

Top Pair Data: ILV - ETH

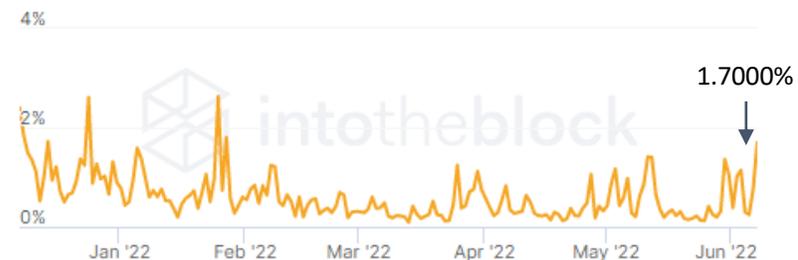
Total Liquidity, USD



Volume Traded



Fees per Liquidity (ILV - ETH)



## Top Yield Farming Pools - TVL

Name	Protocol	Base APY	Reward APY	Rewards	APY	7d ago	TVL
ETH	Lido Ethereum	4.00%	-		4.00%	4.00%	\$7,679,139,663
USDC	Aave Ethereum	1.04%	-		1.04%	1.08%	\$2,327,084,218
WETH	Aave Ethereum	0.76%	-		0.76%	0.63%	\$2,207,266,339
fraxFRAX 3Crv	Convex Ethereum	0.27%	5.34%	CRV CVX FXS	5.61%	7.24%	\$1,604,900,000
WBTC	Aave Ethereum	0.02%	-		0.02%	0.02%	\$1,426,330,412
ETH	Compound Ethereum	0.06%	0.05%	COMP	0.11%	0.11%	\$1,333,396,800
WBTC	Compound Ethereum	0.04%	0.07%	COMP	0.11%	0.12%	\$1,108,827,727
stethETH stETH	Convex Ethereum	3.11%	3.55%	CRV CVX LDO	6.66%	5.66%	\$993,700,000
USDT	Aave Ethereum	1.78%	-		1.78%	1.75%	\$961,261,600
USDC	Compound Ethereum	0.73%	0.41%	COMP	1.14%	1.17%	\$713,318,571

Frax pool takes fourth as TVL gains

Yields maintain slight decline

## Top Yield Farming Pools - APY

### Top APY pool (TVL > 100m)

Name	Protocol	Base APY	Reward APY	Rewards	APY	7d ago	TVL
USDN	Vires Waves	60.05%	0.08%	VIREX	60.14%	84.02%	\$670,213,614
DUSD DFI	DefiChain Defichain	-	52.59%	DFI	52.59%	54.86%	\$129,386,725
USDC	Vires Waves	42.60%	0.09%	VIREX	42.70%	42.21%	\$292,517,539
USDT	Vires Waves	42.47%	0.09%	VIREX	42.56%	43.42%	\$250,825,316
USDC WETH	Uniswap Ethereum	40.99%	-		40.99%	43.59%	\$328,713,489
BTC DFI	DefiChain Defichain	-	39.69%	DFI	39.69%	42.36%	\$260,971,735
WBTC USDC	Uniswap Ethereum	38.81%	-		38.81%	21.67%	\$134,396,873
WBTC WCRO	VS Cronos	0.43%	37.96%		38.39%	38.78%	\$152,580,000
WBTC WETH	Uniswap Ethereum	34.65%	-		34.65%	47.10%	\$137,197,513
WCRO WETH	VS Cronos	0.79%	31.42%		32.21%	32.57%	\$150,640,000

Waves pools dominate list as it seeks to continue to lock in users

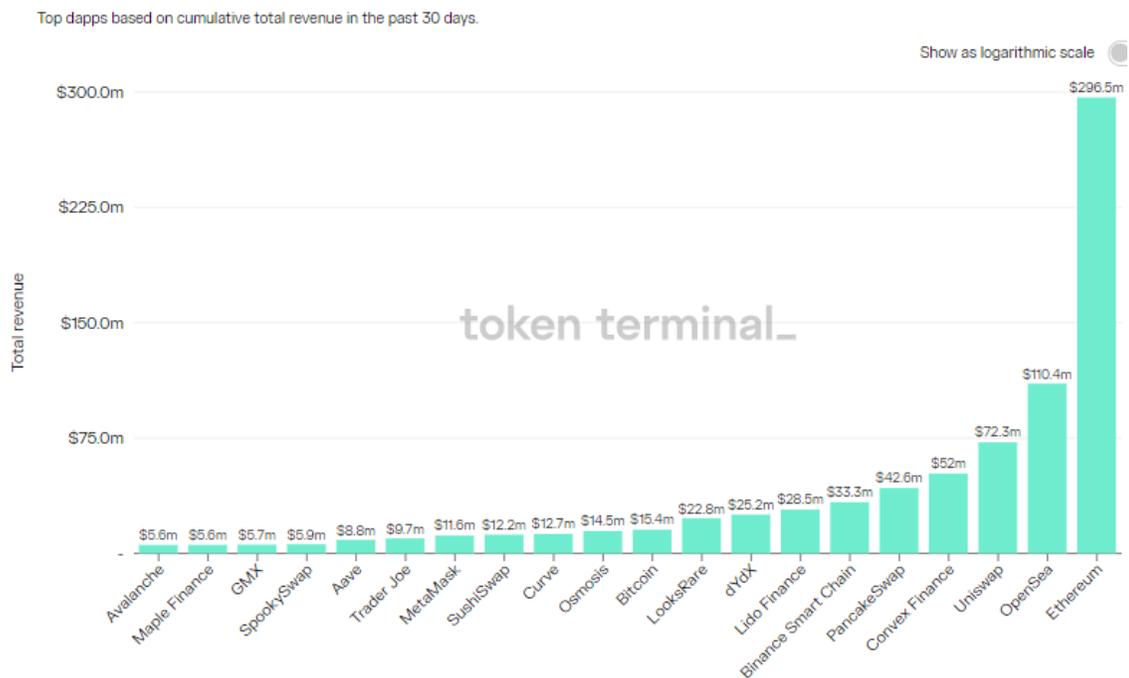
### Top APY pool (TVL > 10m)

Name	Protocol	Base APY	Reward APY	Rewards	APY	7d ago	TVL
USDC WETH	Uniswap Ethereum	149%	-		149%	18.54%	\$10,390,701
WBTC OSMO	Osmosis Cosmos	139%	-		139%	-	\$10,100,000
WETH OSMO	Osmosis Cosmos	121%	-		121%	-	\$12,600,000
WVS WCRO	VS Cronos	0.63%	119%		120%	120%	\$47,220,000
USDC OSMO	Osmosis Cosmos	106%	-		106%	-	\$30,600,000
CAKE BNB	Alpaca BNB Chain	4.98%	132%	ALPACA	105%	87.17%	\$11,296,444
HEC	Hector Fantom	-	101%	HEC	101%	101%	\$19,078,697
LINK WETH	Uniswap Ethereum	76.88%	-		76.88%	39.69%	\$13,081,902
USDC CAW	Uniswap Ethereum	72.99%	-		72.99%	40.68%	\$12,685,286
HEX USDC	Uniswap Ethereum	70.21%	-		70.21%	110%	\$10,548,815

Uniswap dominance reappears

## DeFi Revenue - DeFi Protocols

- Sea of red as DeFi activity continues weekly decline; NFT platform volumes rise due in part to “degen mints”.
- ENS revenue falls as .ETH domain hype cools



Project	Revenue 7d (US\$)	Revenue 30d (US\$)	Revenue 180d (US\$)	7d Trend	30d Trend
OpenSea	\$ 22.0m	\$ 110.4m	\$ 1,811.0m	23.3%	-73.3%
Uniswap	\$ 8.9m	\$ 72.3m	\$ 565.3m	-25.7%	-4.5%
Convex Finance	\$ 10.2m	\$ 52.0m	\$ 631.8m	0.9%	-38.2%
PancakeSwap	\$ 5.5m	\$ 42.6m	\$ 284.3m	-37.8%	5.8%
Lido Finance	\$ 6.5m	\$ 28.5m	\$ 166.2m	-0.5%	-21.4%
dYdX	\$ 3.2m	\$ 25.2m	\$ 239.0m	-14.7%	-26.5%
LooksRare	\$ 3.4m	\$ 22.6m	\$ 606.8m	10.1%	-73.7%
Osmosis	\$ 0.5m	\$ 14.5m	\$ 60.3m	-32.1%	53.0%
Curve	\$ 0.6m	\$ 12.7m	\$ 67.7m	-16.3%	172.5%
SushiSwap	\$ 1.0m	\$ 12.2m	\$ 118.7m	-41.7%	16.4%
Metamask	\$ 0.8m	\$ 11.6m	\$ 76.7m	-25.4%	8.8%
Trader Joe	\$ 0.9m	\$ 9.7m	\$ 104.3m	-33.2%	10.4%
Aave	\$ 1.6m	\$ 8.8m	\$ 116.4m	-2.0%	-53.2%
SpookySwap	\$ 0.4m	\$ 5.9m	\$ 101.9m	-45.3%	-26.7%
GMX	\$ 0.4m	\$ 5.7m	\$ 34.0m	-70.2%	7.6%
Maple Finance	\$ 0.3m	\$ 5.6m	\$ 30.7m	-87.6%	-19.1%
ENS	\$ 0.6m	\$ 4.4m	\$ 33.6m	-35.8%	-66.6%
QuickSwap	\$ 0.3m	\$ 3.9m	\$ 31.8m	-29.6%	16.1%
MakerDAO	\$ 0.7m	\$ 3.7m	\$ 44.5m	-4.5%	-37.6%
Balancer	\$ 0.4m	\$ 3.5m	\$ 34.9m	-10.3%	-46.4%

Note: As of 8 June 2022

# Noteworthy DeFi Protocols – Uniswap’s Dominance Rises

## UNI 1M performance



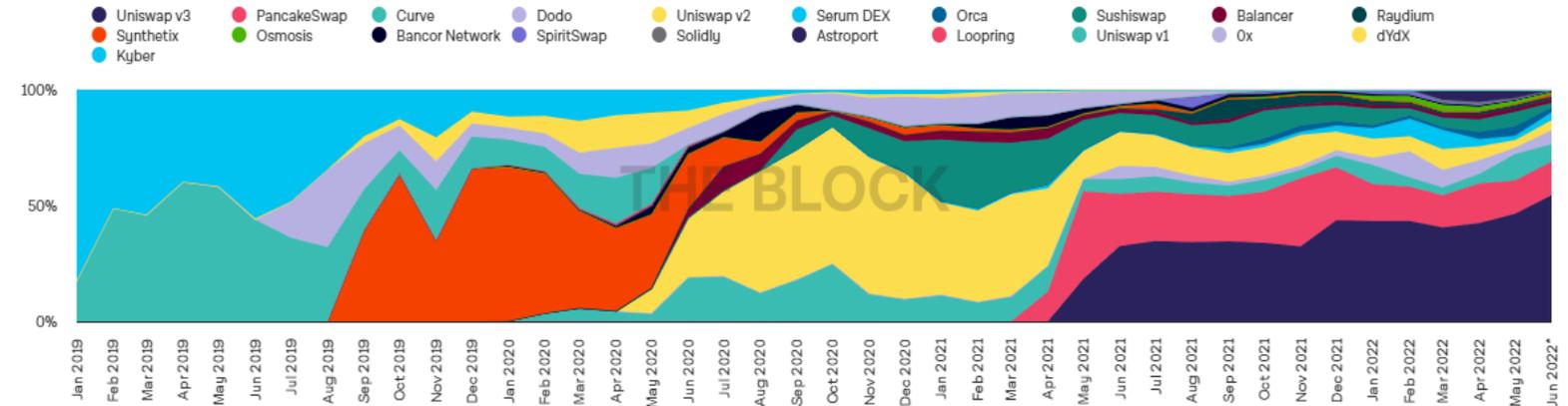
Last 7 Days Volume Uniswap v3 Total Volume and Fees - Counter **\$6.06B**  
Total Trading Volume (All Pairs)

Last 7 Days Fees Uniswap v3 Total Volume and Fees - Counter **\$6.75M**  
Total LP Fees (All Pairs)

- Uniswap continued to solidify itself as one of the most successful and long-standing DEX in the DeFi space. Uniswap v3 did 46.4% of total DEX volume in May, continuing its climb since its launch a year ago.
- Together with Uniswap v2, it had nearly 50% of total May DEX volume. No other DEX has recorded >40% market share since 2020. This performance extends Uniswap v2’s dominance (which reached ~59% in October 2020), a particularly impressive feat given the more competitive and fragmented nature of the DeFi space compared to a year or two ago.



Share of DEX Volume

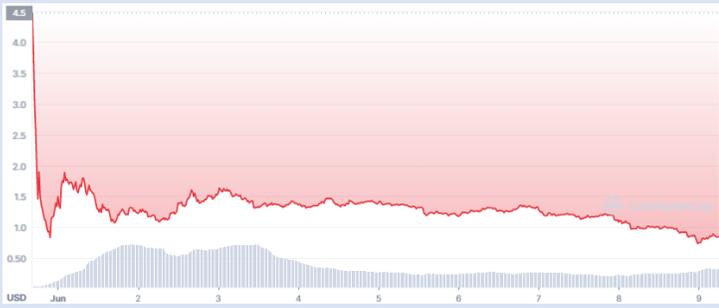


SOURCE: COINGECKO  
UPDATED: JUN 6, 2022

ZOOM ALL YTD 12M

## Noteworthy DeFi Protocols – Optimism’s Turbulent Token Launch

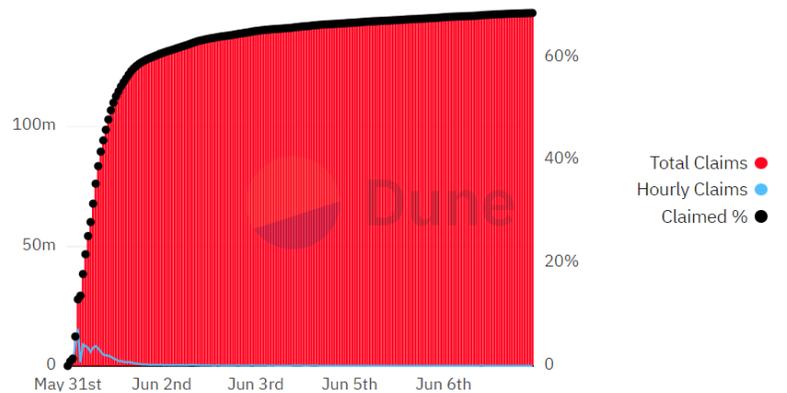
### OP 1M performance



- Optimism’s token plummeted 80% immediately after its airdrop on June 1 as people rushed to sell their tokens. It has gained 20% since, though a far cry from its initial price.
- **Claims opened early** - Many in the community expressed frustration with the highly anticipated airdrop as the smart contract was deployed with no way of pausing claims prior to the official announcement.
- **Servers overloaded** - As people discovered this, it overloaded the Optimism servers and caused disruptions for a few hours. It took down the claim UI in an attempt to reduce traffic, but users began to create custom-built claim Uis. Optimism subsequently re-opened the official claim UI due to concerns that people might creating phishing sites instead.
- **Proposal to exclude sellers** – Some in the community were not happy with people immediately dumping tokens –a governance proposal was submitted to ban sellers from receiving future OP airdrops. This was met with heavy debate as well.
- **20M tokens stolen** – Optimism granted 20M tokens to market-maker Wintermute for secondary market liquidity. Wintermute provided a multi-sig address that had not yet been deployed to Optimism/L2. An attacker was able to retrieve the tokens before Wintermute was able to recover them. They have subsequently committed to buying back the misappropriated tokens

OP Airdrop Claimed  
Over Time

@hildobby



## Noteworthy DeFi Protocols – One Exploit After Another

### MIR 1M performance



- **Mirror Protocol** on Terra was exploited in the midst of the launch of Luna v2 with over US\$2m drained.
- Due to a bug in the LUNC (old Luna) pricing oracle, most likely because the protocol had yet to update to the separate LUNC and LUNA, an attacker could load up huge amounts of collateral in LUNC (near worthless outside of Mirror) and withdraw assets with real value outside of the protocol.
- Pools of mirror assets like mBTC, mETH, mDOT were drained. However, the Mirror Protocol team managed to prevent draining of further pools.

- **Maia DEX**, the main DEX on the Elrond Network, was taken offline for nearly two days due to “suspicious activity”.
- The team discovered a potentially critical bug and worked on an emergency fix. However, users noted suspicious transactions that might have indicated that the exchange was exploited – the hacker reportedly made off with US\$113m worth of EGLD tokens.
- Most exploited funds will be recovered / missing funds will be covered by the Elrond Foundation.

### MEX 1M performance



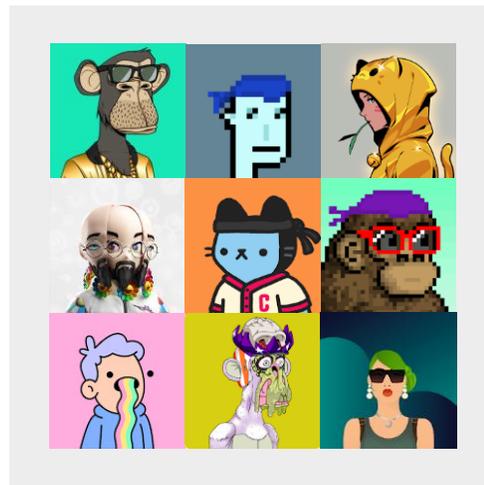
# NFT & Metaverse

# NFT & Metaverse Summary

- 1. NFT Dashboard** – Blue-chip prices stable while new & degen projects take on higher relative volume
- 2. ETH Volume Consistently Low but Transaction Count Increases**
- 3. Taking a Break on User Growth** – Average price per trade decline due to ETH/SOL price drop + NFT price floor drop
- 4. ETH Volume Continues to Dry Up... but what is Goblintown?**
- 5. GameFi & Play-to-Earn**
  - Axie Infinity Weekly Volume Drops Below US\$1m
  - StepN Active Users Declines Sharply
  - Illuvium Raises US\$72m From Land Sale
- 6. News & Headlines**

# NFT Dashboard

Project	Floor Price	14D	YTD
<b>“Blue Chip” Projects</b>			
Bored Ape Yacht Club	90.0Ξ	-1.6%	41.5%
CryptoPunks	48.0Ξ	0.7%	-25.8%
<b>Tier-A Projects</b>			
Azuki	10.9Ξ	-12.8%	211.1%
Clone X	10.9Ξ	-21.3%	173.3%
Cool Cats	3.6Ξ	12.8%	-73.5%
CyberKongz	3.2Ξ	16.7%	-32.7%
Doodles	12.7Ξ	3.7%	93.0%
Mutant Ape Yacht Club	18.7Ξ	-1.9%	60.2%
NFT Worlds	4.5Ξ	29.0%	88.0%
World of Women	4.0Ξ	-10.8%	94.2%



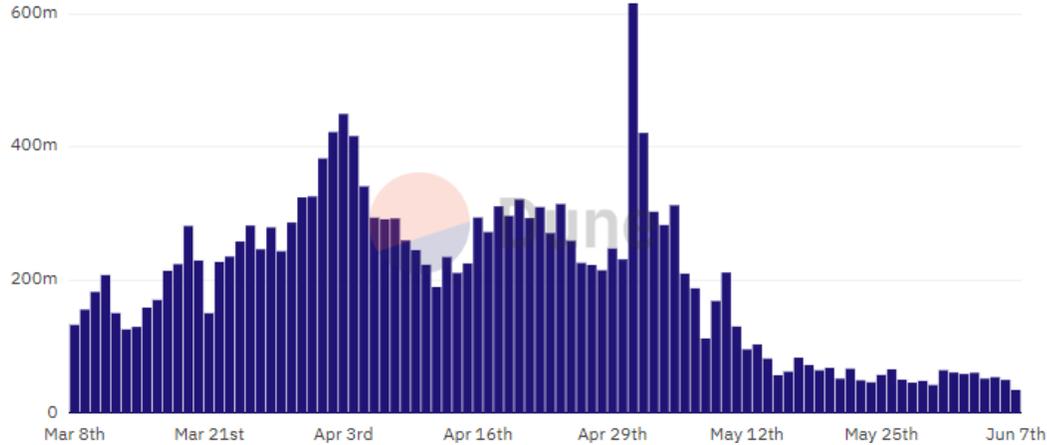
Top Sales of the Week*	Price
BAYC #7725	189.9Ξ
BAYC #4890	185.7Ξ
BAYC #784	180.0Ξ
BAYC #9153	170.0Ξ
Axie Land (-30, 16)	160.0Ξ
BAYC #8602	150.0Ξ
BAYC #6281	141.0Ξ
BAYC #5513	139.0Ξ
Otherdeed #95607	135.0Ξ
BAYC #9604	119.9Ξ

Top Collections of the Week* (by volume)	Volume (USD)
goblintownNFT	\$29.8m
We Are All Going to Die	\$15.8m
Bored Ape Yacht Club	\$10.4m
Boki	\$9.4m
Akumu Dragonz	\$8.2m
Mutant Ape Yacht Club	\$6.2m
Invisible Society XYZ	\$6.1m
Otherdeed	\$5.7m
Ill poop it nft	\$5.3m
ShitBeast	\$4.6m

## ETH Volume Consistently Low but Transaction Count Increases

Daily Total NFTs USD Volume

@eugeneec

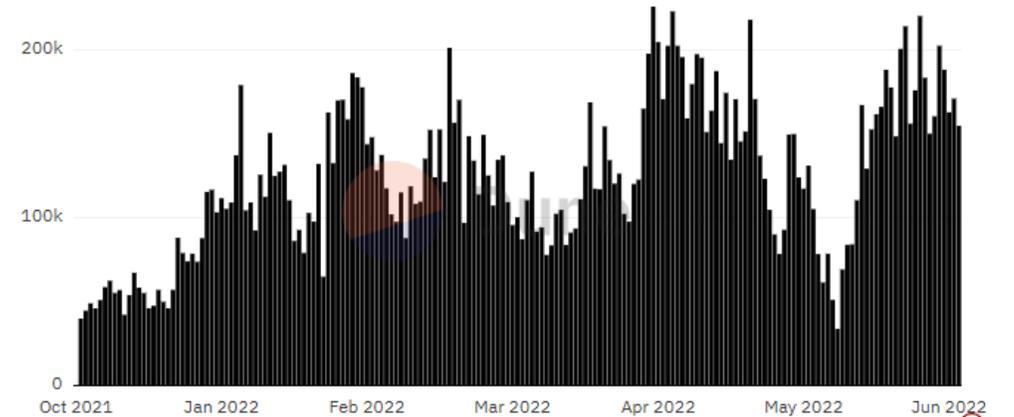


- Daily NFT volume consistently below ~US\$60m as blue-chip projects wane in activity and degen mints take over in popularity, represented by the higher number of transactions but lower prices.

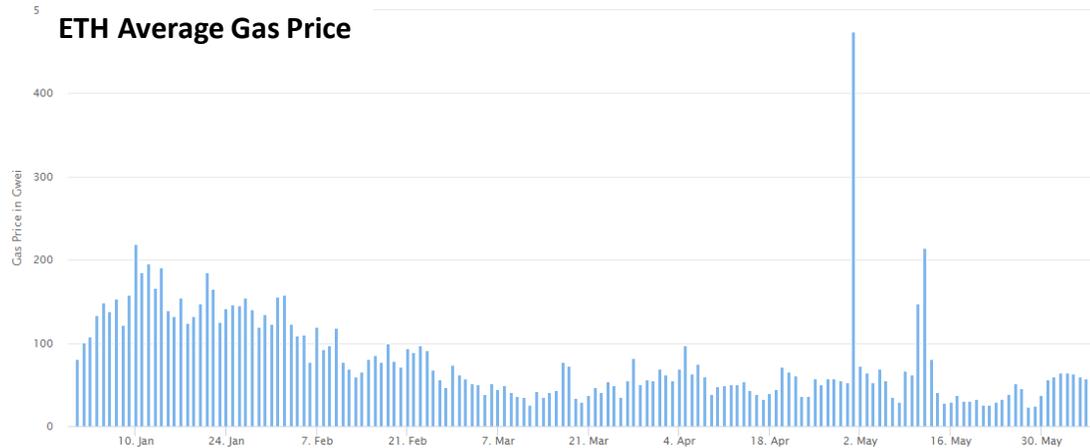
NFTs - Transaction Count

Daily Total

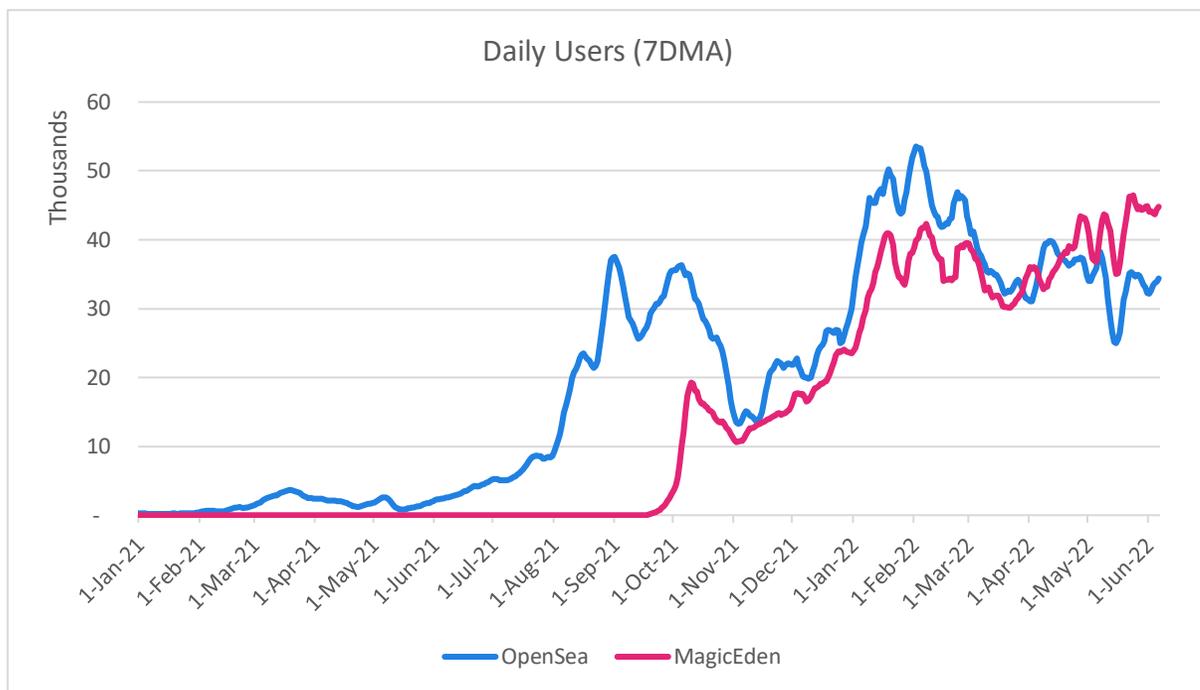
@hildobby



ETH Average Gas Price



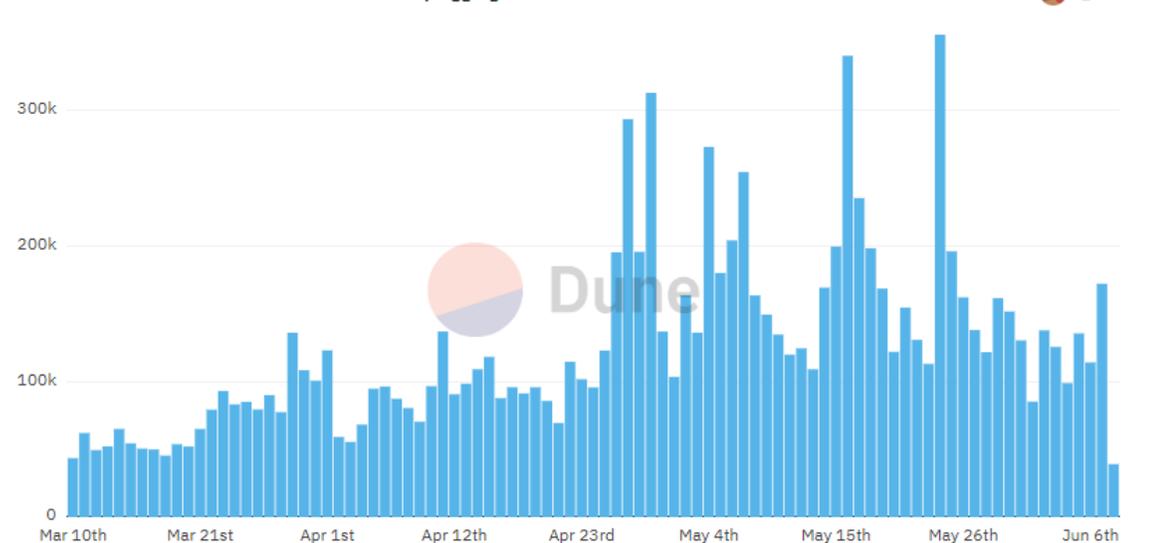
## Taking a Break on User Growth



- Daily active users on both OpenSea and MagicEden now seems to be leveling off after MagicEden finally came ahead of OpenSea in mid April, and the lead has widened since.
- Average price per trade continues the decline from the double whammy of ETH/SOL price drop and NFT floor price declines.
- This is also due to heightened trading volume with “degen mints” (free/cheap projects that ride on quick hype), as cheaper gas provides for better profit opportunities on such projects.
- Volume on Solana is more volatile, but it also appears to have cooled a bit.

Marketplace	Average Price per Trade*
OpenSea	US\$386.61
MagicEden	US\$91.71

Transaction Volume Solana NFT Transactions Daily Aggregated

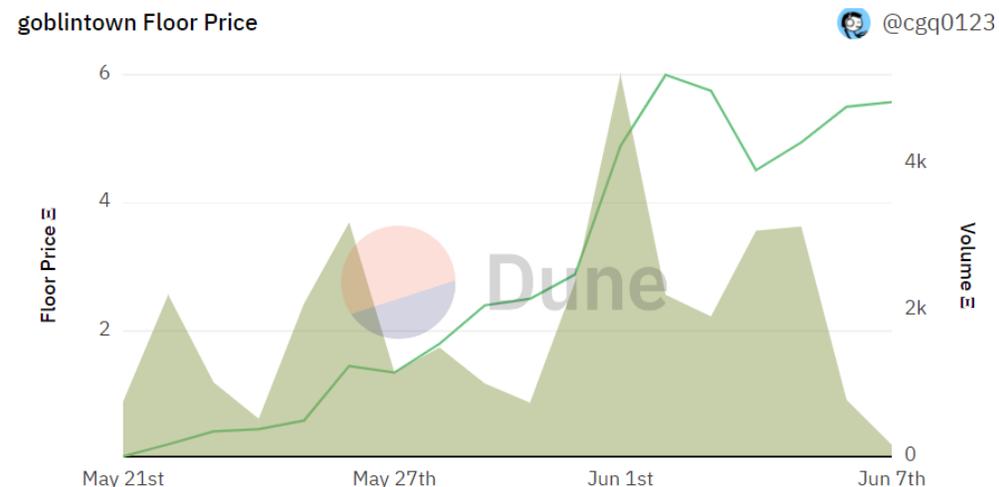
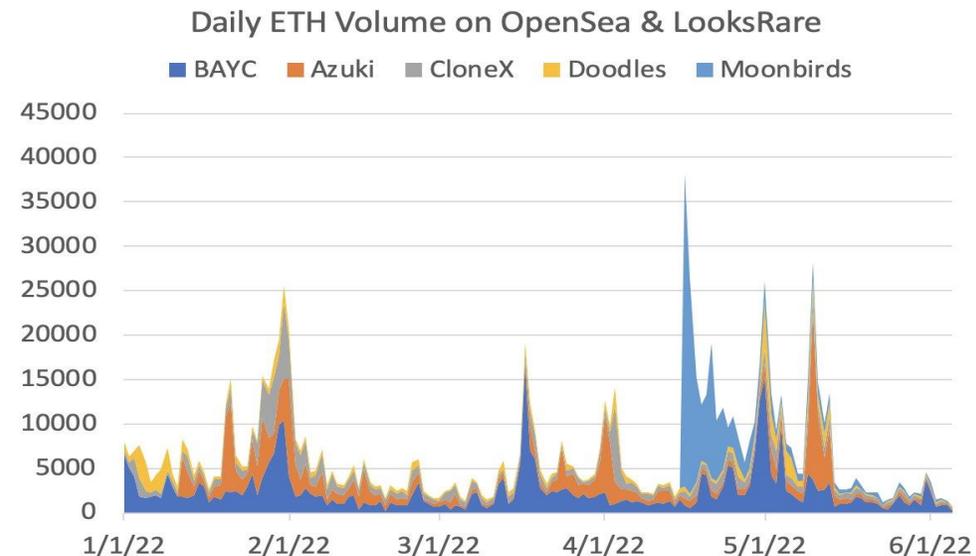


\*Notes: 7 days

Source: DappRadar, AMTD Research

## ETH Volume Continues to Dry Up... but what is Goblintown?

- The combined volume for BAYC, Doodles, Moonbirds, Azuki, and CloneX was at just 740 ETH on June 5, the first time all year such a metric has been below 1000ETH.
- **Goblintown**, a collection of 10,000 strange and unappealing-looking goblins, hit the market as a free mint on May 22 with no prior marketing, hype, nor roadmap, and garnered huge popularity as the NFT space rushed to its unique appeal and special community (vaguely similar to mfers).
- To explain the unconventional community driving the project's post-mint hype, the team hosted a Twitter Spaces where hundreds made incomprehensible "goblin sounds" for three hours. Fueling the hype was also rumors that Yuga Labs was behind the project.
- Floor price reached 8 ETH before retracing slightly to 5.4 ETH at present, though it maintains strong volume. Its 7-day volume of 20,300 ETH is nearly double of BAYC's 12,100 ETH which came in second.



## GameFi & Play-to-Earn

### Axie Infinity Weekly Volume Drops Below US\$1m

- Weekly trade volume of Axie Infinity, the P2E behemoth that once saw US\$200m+ in weekly trade volume, dropped to US\$988k for the week of May 29, a figure not seen since April 2021.
- It has dropped off the 90D protocol revenue chart with a revenue of just US\$4.6m.
- This come as no surprise after the game's glory period in the latter half of 2021, after which it was plagued by token hyperinflation concerns and the Ronin Bridge hack.
- Once the platform that enabled many people in less fortunate countries to make a good living (e.g., in the Philippines), its hype and price speculation ultimately died down. The demise plagues the current P2E environment as unsustainable tokenomics inevitably point to diminishing returns.

### Dapp 90D Protocol Revenue



### Gaming NFT Trade Volume



SOURCE: CRYPTOSLAM  
UPDATED: JUN 7, 2022

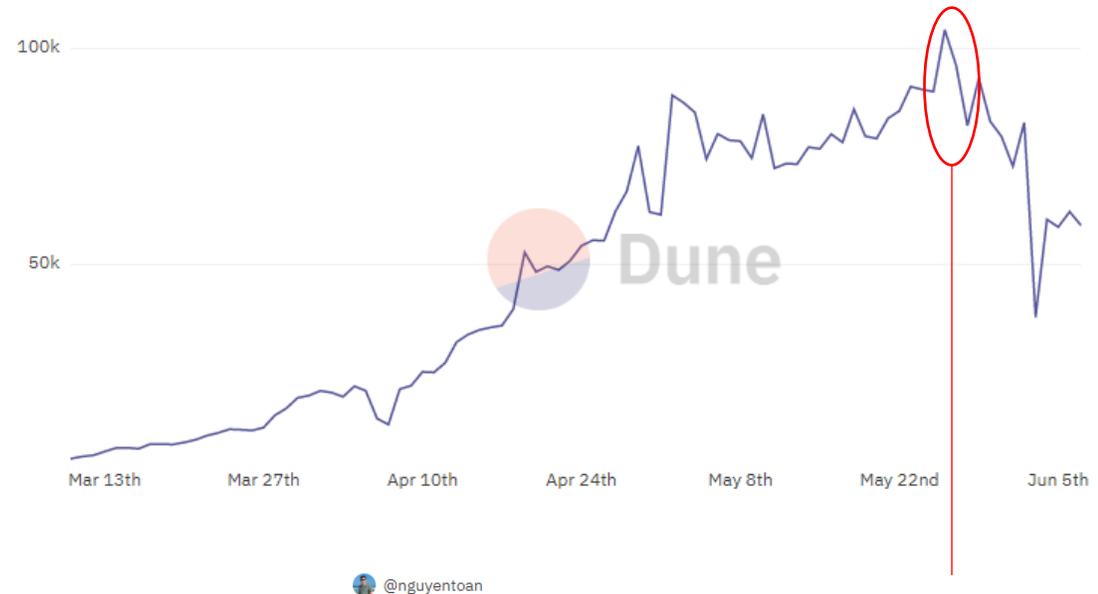
ZOOM ALL YTD 12M 3M

## GameFi & Play-to-Earn

### StepN Active Users Declines Sharply

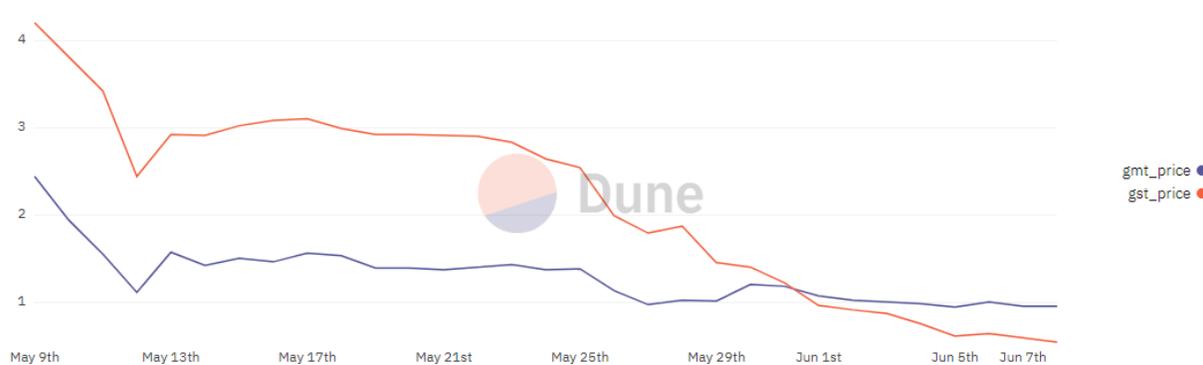
- Active users on popular move-to-earn app StepN has dropped below 60,000 (peaked at ~104,000 at the end of May), after a drastic decline in its token prices.
- The tokens, GMT (1M: -63% / 2W: -30%) and GST (1M: -88% / 2W: -77%), has been on a steady decline since May, making it less lucrative for users to use the app.
- The decline may also have to do with the upcoming geofence ban on Mainland Chinese users (due to come into effect on July 15), as well as an anti-cheat upgrade which attempts to remove bots from the platform.
- Separately, the platform went down for over 24 hours as it rushed to secure its servers after multiple DDOS attacks on June 5.

Daily Active Users (DAU) STEPN Daily Transactions (90 Days)



StepN announces ban on Mainland Chinese users

GMT & GST Price (in 30 Days)



## GameFi & Play-to-Earn

### Illuvium Raises US\$72m From Land Sale

- P2E RPG and collection and auto-battler game Illuvium, which is built on the Immutable X layer 2 network, closed its first land sale with proceeds exceeding US\$72m.
- 19,969 land plots of four tiers of rarities were sold over four days through a Dutch auction format. Benefitting from the Immutable X layer 2 network, there were no gas wars and users paid on average US\$20 in gas.
- The land generates Fuel that can be sold for ETH, while ~5% of all Fuel revenues will be shared to landholders. Fuel powers the in-game economy.
- The game, which is currently in private beta, is expected to launch later in 2022. It is currently ranked 9<sup>th</sup> in terms of volume for blockchain games according to DappRadar.



Land Tier	Element Sites	Fuel Sites	Landmark Class	Tier Boost	Total Plots in First Sale	Dutch Auction Start Price
Tier 1	3	1	-	0%	12029	2 ETH
Tier 2	6	3	-	33,33%	5012	6 ETH
Tier 3	9	6	Element	100%	2088	20 ETH
Tier 4	12	9	Fuel	300%	869	80 ETH
Tier 5	15	12	Arena	900%	2	English Auction

### News & Headlines

#### **NYC Building Listed on OpenSea**

A seven-story building in Manhattan was listed on OpenSea this past week for a price of 15,000 ETH (~US\$27m). The seller, Okada & Company, is a commercial real estate firm with 60 years of experience. Purchase of the NFT will give the purchaser the rights to acquire the building. [[The Defiant](#)]

#### **Former OpenSea Exec Charged with Insider Trading**

The US Department of Justice has charged former head of product Nathaniel Chastain with insider trading with NFTs in a first of such charge brought by authorities. Chastain was allegedly buying NFTs of certain projects prior to being featured on the marketplace. His actions were initially brought up by the Twitter community and resigned thereafter. He profited 19 ETH and faces up with 40 years in prison. [[Blockworks](#)]

#### **OpenSea Refreshes Look**

NFT marketplace introduced a redesigned look for its profile and collection pages amid the prolonged market rout in a bid to make it easier to use, navigate, and discover. While the design change was not drastic, it received polarizing reactions from the community. [[@OpenSea Support](#)]

#### **Epic Games to List NFT-based Game**

Web3 gaming company Gala Games is planning to list its blockchain-based games on the Epic Games (publisher behind Fortnite) Store, beginning with the free-to-play online multiplayer game GRIT, which features NFT assets which can be traded. [[Blockworks](#)]

#### **BAYC Discord Hacked, 200 ETH in NFTs Stolen**

BAYC's Discord servers were exploited, resulting in 200 ETH worth of NFTs stolen from users who clicked on a phishing site posted by a community manager whose account was breached. Discord server hacks have increased in recent months; 70 servers were exploited in May, according to on-chain analyst OKHotshot. [[The Block](#), [@NFTherder](#)]

# Regulatory Updates

### Regulatory Updates

- A comprehensive bipartisan legislation has been introduced in the US, which covers everything from mining, DeFi, taxation, DAOs, exchanges, etc. The bill will grant the CFTC jurisdiction over all crypto that is not classified as securities, it will require all DAOs to be registered as business entities, clarifies the treatment of digital assets in bankruptcy for individuals and exchanges, as well as various other consumer protection sections.
- The New York Senate has passed bill that imposes a two-year moratorium on new proof-of-work crypto mining operations. The bill is now in the hands of Governor Kathy Hochul, who will have to sign the bill into effect, though Bitcoin miners in the state are calling for the Governor to not do so with concern for driving out crypto jobs out of the state.
- A bipartisan bill has been introduced, referred to as the Cryptocurrency Accountability Act, that would require members of Congress to disclose their financial interests in crypto. The bill would amend the Ethics in Government Act, which require public officials to disclose financial history and interests.
- Japan's parliament passed a landmark legal framework for stablecoins, which will provide protection for investors following the collapse of the UST stablecoin. The law, which will come into effect in a year, will be considered digital money and must guarantee holders the right to redeem them at face value. It can only be issued by licensed banks, registered money transfer agents, and trust companies.
- A sign of strengthening regulation, the U.S. Commodity Futures Trading Commission sued crypto exchange Gemini, claiming that its founders, the Winklevoss brothers, made false and misleading statements to the CFTC during the exchange's application for bitcoin futures contracts.
- Board member of the German central bank Joachim Wuermeling has called for an international standard, like the Basel Committee for Banking Supervision for banks, to set ground rules for digital innovation. He has however dismissed DeFi as a "casino for tech-savvy speculators."

### Regulatory Updates

- According to local media, authorities in Seoul have subpoenaed all Terraform Labs, the company behind failed blockchain Terra, for a full-scale investigation. Certain staff have reportedly stated to authorities that some insiders were opposed to launching LUNA and UST after internal modeling failed.
- The South Korean government is reportedly speeding up plans to establish a new cryptoasset regulatory body in the wake of the Terra collapse.
- The Portuguese Congress has rejected two bills that would seek to tax cryptocurrencies, which is currently untaxed. However, the Minister of Finance has announced recently that the country would, in the near future, tax cryptocurrencies.
- Another proposed bitcoin ETF – the One River Carbon Neutral Bitcoin Trust – has been rejected by the US SEC. The spot bitcoin ETF was rejected on the grounds similar to bitcoin ETFs rejected in the past, as it lacks sufficient protection for investors. The SEC has so far rejected all proposed spot crypto ETFs, though this one was different as One River pledged to purchase carbon credits to account for the emissions associated with bitcoin in the fund.
- Binance announced that it was granted a category 4 license in Bahrain, which allows it to offer a full range of crypto-asset services in the country. It is the first of such license granted to a crypto exchange by the Bahrain central bank.
- Crypto.com has reportedly secured a provisional license to operate in Dubai from the Dubai Virtual Assets Regulatory Authority, joining the likes of Binance, FTX and Bybit.
- The US SEC is investigating Binance’s BNB token ICO five years ago and whether it broke securities rules by not registering with the agency that might have been a sale of a security.

# Notable Tweets



## Vitalik talks back

**Nouriel Roubini** @Nouriel · Jun 1

So much for the simplicity and ease of use of crypto. You need a PhD in cryptography to make sense of these instructions...

**vitalik.eth** @VitalikButerin · Jun 1

Remember that you should always test your dapp with at least one non-metamask wallet (eg. Brave, Status browser). Make sure your dapp conforms to ethereum standards, and not just to accidental properties of one particular wallet!

181 72 417

**vitalik.eth** @VitalikButerin

Replying to @Nouriel

Me: when you're building a car, make sure to add BOTH a seatbelt AND airbags. Two factor safety is better than one!

Nouriel: wow cars have so many buzzwords and things people have to worry about. Driving is NGMI.

9:12 AM · Jun 1, 2022 · Twitter Web App

439 Retweets 76 Quote Tweets 6,073 Likes

## Cobie's satirical proposal for Optimism

**Cobie** @cobie · 1 Jun

I posted on the Optimism governance forum in response to the recent proposal making sellers ineligible for future tokens: [gov.optimism.io/t/extended-ine...](https://gov.optimism.io/t/extended-ine...)

**Extended ineligibility for future airdrops**

Proposed Discussion Other

**cobie** 1m

I recently saw this proposal on the Optimism forum: *Users who sold the initial OP airdrop should become ineligible for all future airdrops.*

Have seen enough wallets collect the OP airdrop, swap it straight to Uniswap.

These accounts are not playing a constructive role in Optimism governance. Instead of contributing to governance, they are maximising for profit. Nothing wrong with that, as per the airdrop criteria the coins are theirs and they are free to do as they wish. However, from Optimism governance's perspective, such accounts are counter-productive for our stated goals.

I was extremely pleased to see this proposal. Canceling the future airdrops of those that have sold their initial OP airdrop seems sensible, well-considered and targets the heart of any crypto protocol: the price of its token.

However, I am unable to support this proposal in its current form.

My lack of support for this proposal is not because I disagree with the sentiment. On the contrary, it is because this proposal does not go far enough. In order to support this proposal, I believe it needs to be significantly extended in scope (who is punished) and severity (what the punishment is).

I have included my extended suggestions:

256 367 2,360

**Cobie** @cobie · 1 Jun

Optimism governance has deleted all replies and unlisted the post.

They do not want the common people to have their say.

This governance is a sham! We need freedom of speech!

38 34 993

**Cobie** @cobie

Very clear manipulation of governance from Optimism insider @kelvinfichter. Sad to see!

10:09 pm · 1 Jun 2022 · Twitter Web App

## Algod voices on on Zhu Su tweet

**Algod** @AlgodTrading · 13h

This tweet must be one of the most disgusting tweets i've seen on CT

People suicided over the collapse of UST because there was no bail out.

I really don't get it

**Zhu Su** @zhusu · 13h

Boomers thought Luna1 collapse would take down the crypto industry

Instead, Tron, Waves, and other chains still working hard on next-gen algostable coins

Luna2 reuniting the Terra community as they rebuild the ecosystem

All w/ zero need for govt bailouts

## Bitcoin finally ends weekly losing streak

**Ramp Capital** @RampCapitalLLC

Bitcoin ended its 9-week losing streak



8:15 am · 6 Jun 2022 · Twitter for iPhone

## Luna v2 airdrop



Lost \$300k in \$LUNA

Got an airdrop of \$59

Thank you do kwon and team

3:58 AM · May 30, 2022 · Twitter for iPhone

3,023 Retweets 424 Quote Tweets 34.3K Likes

## Infinite BAYCs?



foobar @0xfoobar · 13h

There is a single private key out there that can mint an infinite number of new OG @BoredApeYC at any time.

If the token contract owner (a personal wallet, not a multisig) gets hacked or phished, you might see thousands of new bored apes minted and dumped onto the market

```
/**
 * Set some Bored Apes aside
 */
function reserveApes() public onlyOwner {
    uint supply = totalSupply();
    uint i;
    for (i = 0; i < 30; i++) {
        _safeMint(msg.sender, supply + i);
    }
}
```

203 659 3,021

## It's degen season



this space deserves to go to 0

Rank	Collection Name	Floor Price	Price Change
1	goblintown.wtf	6.88	+15.76% (2,971.34)
2	We Are All Going to Die	0.88	+37.38% (2,943.51)
3	PsychonautNFT	0.15	+16368.33% (781.72)
4	Quirklings	0.4	+318.75% (755.57)
5	ill poop it nft (burning)	0.39	+2148.23% (641.69)
6	mcgoblin.wtf	1.68	-8.18% (609.7)
7	Binkies	0.1	- (603.15)

8:30 pm · 5 Jun 2022 · Twitter for iPhone

237 Retweets 63 Quote Tweets 2,362 Likes

## How down bad are you?



there is a difference between having diamond hands and being down so bad that selling will result in such little remaining value being retained that it's barely worth caring about

2:11 AM · Jun 6, 2022 · Twitter for iPhone

10 Retweets 2 Quote Tweets 291 Likes

## CZ responds to FUD



BUILD debunks FUD.

This is 50+ pages of email records between our cyber security team (ex-law enforcement background) and the cherry picking, misleading, and time wasting journalists.

If you have time to waste, see the details and truth for yourself.

**BINANCE**  
exchange the world

binance.com  
The Crypto Money Laundering Myth and the Machine Working Overtime to Sell ...  
Crypto is better than the traditional banking system at casting sunlight on illicit activity

6:32 AM · Jun 7, 2022 · Twitter Web App

## IMPORTANT DISCLOSURES

### Analyst Certification

We, Michelle Li, Brian Li, and Eugene Chin, hereby certify that (i) all of the views expressed in this research report reflect accurately our personal views about the subject company or companies and its or their securities; and (ii) no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed by us in this research report, nor is it tied to any specific investment banking transactions performed by AMTD Global Markets Limited.

### AMTD Global Markets Limited

**Address:** 23/F - 25/F, Nexus Building, 41 Connaught Road Central, Hong Kong

**Tel:** (852) 3163-3288 **Fax:** (852) 3163-3289

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