

Web3.0 Biweekly

10 May 2022 | AMTD Research

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Market Performance

Summary

1. One-Year Price Recap

2. Layer 1 Price Recap (26 Apr – 10 May 2022)

Markets declined amid corporate earnings season and sharp market reversal after Fed rate hike.

BTC/ETH ATM implied volatility continued to drop.

LUNA crashes as UST depegs

DOGE pumps and retraces as Twitter accepts Elon Musk's offer to acquire.

ADA dropped to March low amid whale positions piling up.

3. Protocols Price Recap (26 Apr – 10 May 2022)

Market declined in line with layer-1 movements.

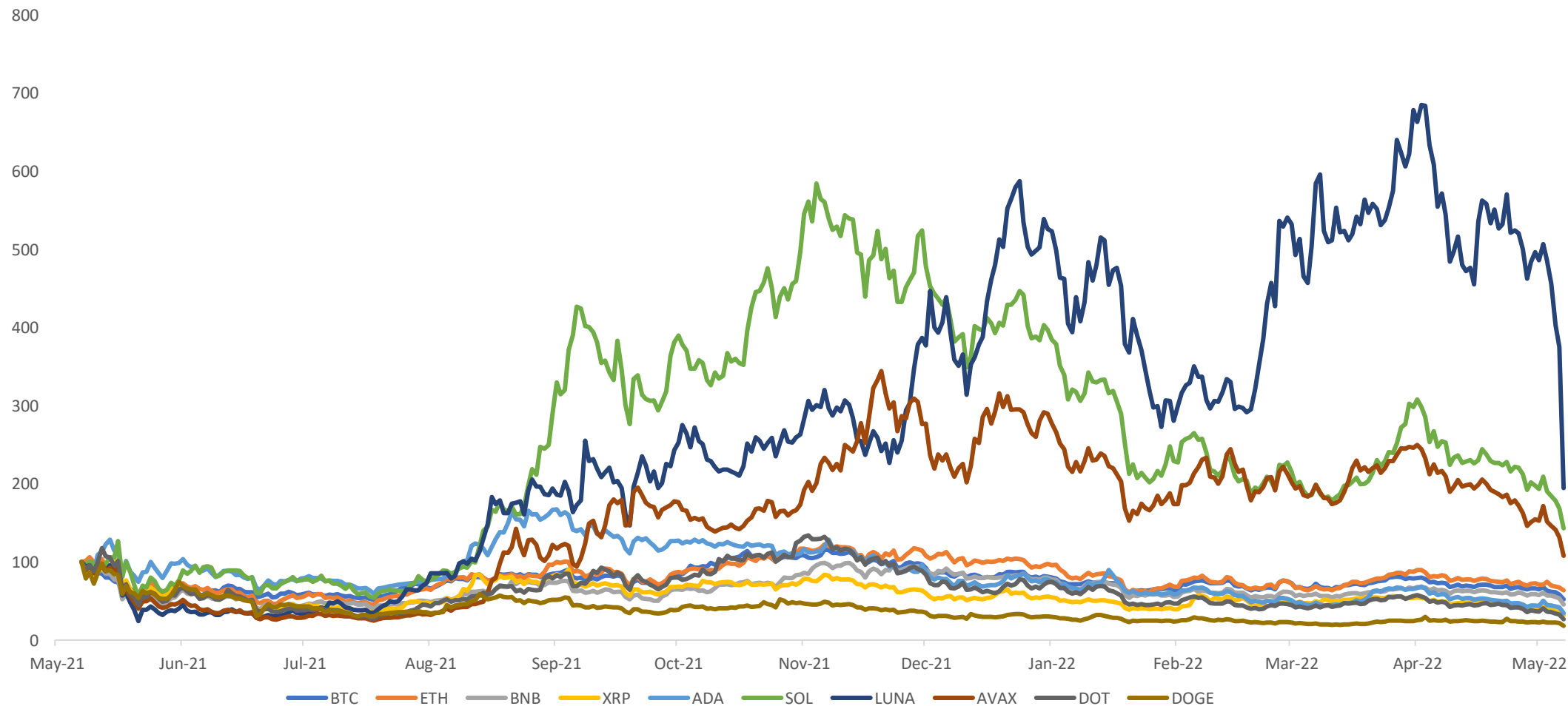
ENS outperformed due to domain speculation & hype, retraced along with market.

OSMO price decrease followed its TVL drop.

Play-to-earn concepts such as YGG/AXS led in decline.

One-Year Layer-1 Price Recap

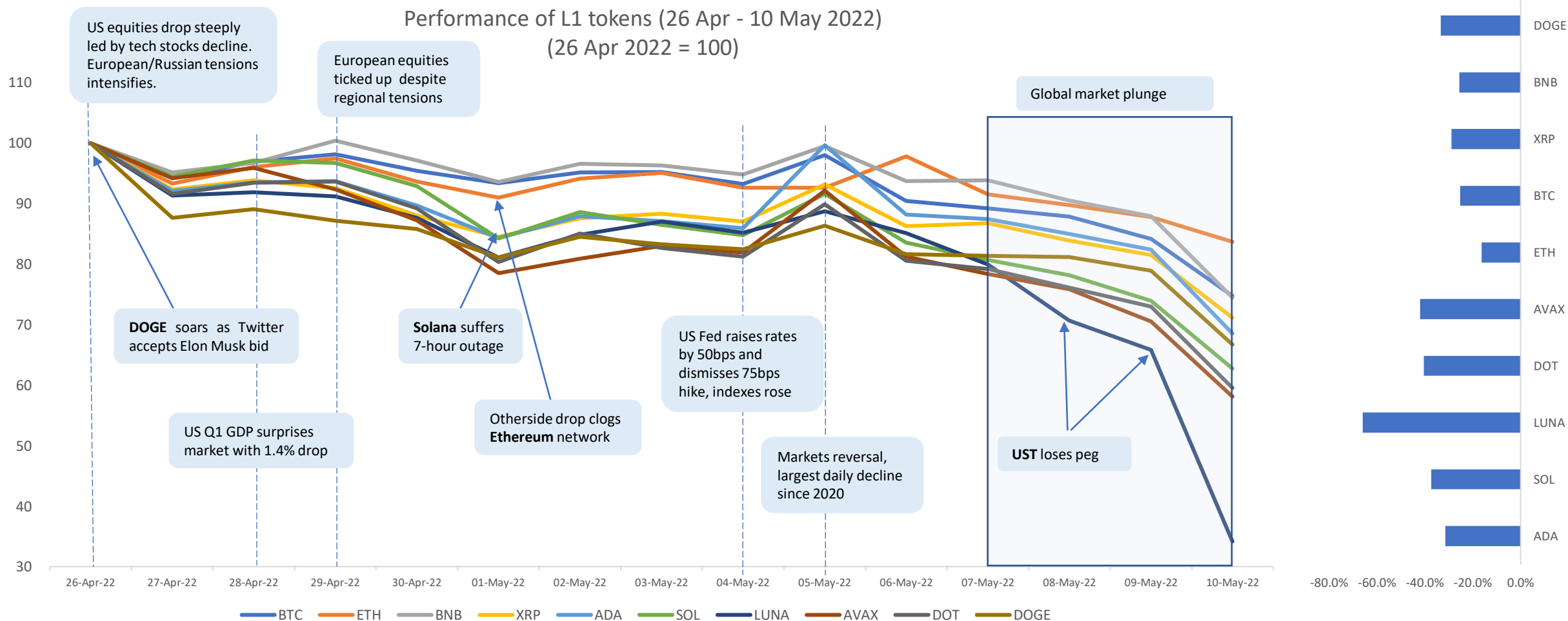
Performance of Top-Ranking Crypto (One Year)
(10 May 2021 = 100)



Market Performance

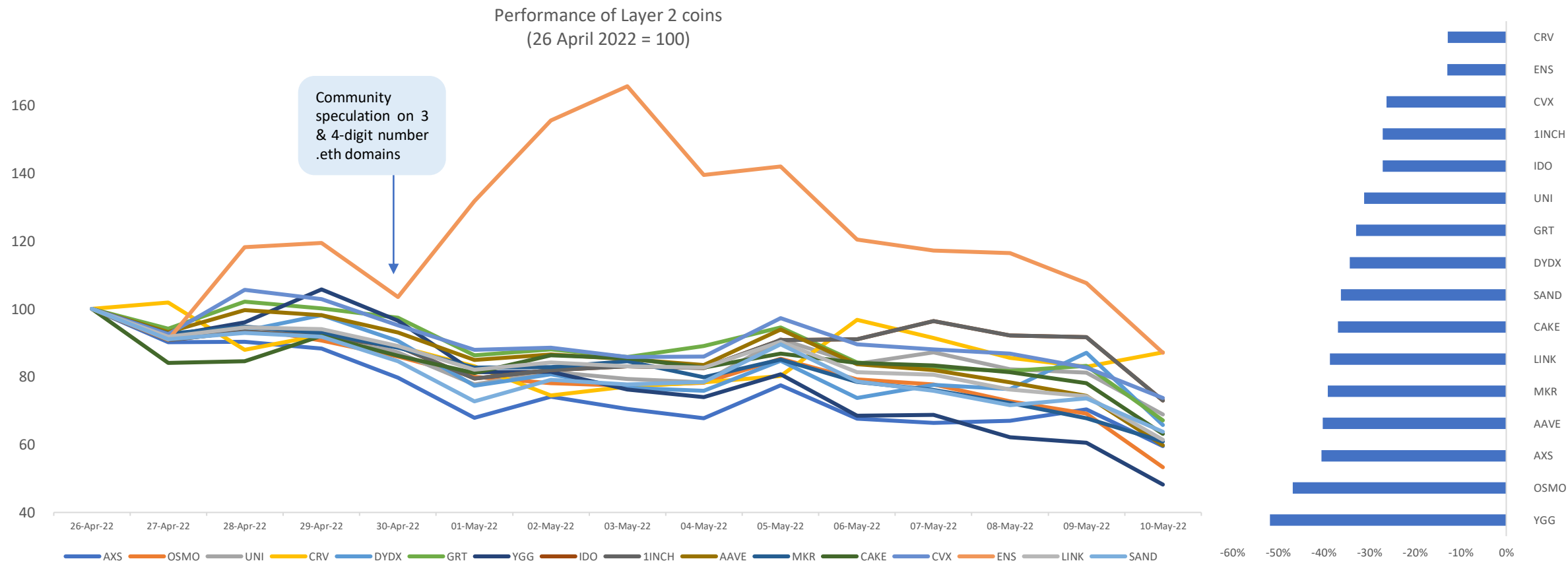
Layer-1 Price Recap (26 Apr – 10 May 2022)

- Markets declined amid corporate earnings season and sharp market reversal after Fed rate hike.
- **BTC/ETH** ATM implied volatility continued to drop.
- **DOGE** pumps and retraces as Twitter accepts Elon Musk's offer to acquire.
- **LUNA** crashes as UST de-pegs.
- **ADA** dropped to March low amid whale positions piling up.



Protocol Price Recap (26 Apr – 10 May 2022)

- Market declined in line with layer-1 movements.
- **ENS** outperformed due to domain speculation & hype, retraced along with market.
- **OSMO** price decrease followed its TVL drop.
- Play-to-earn concepts such as **YGG/AXS** led in decline.



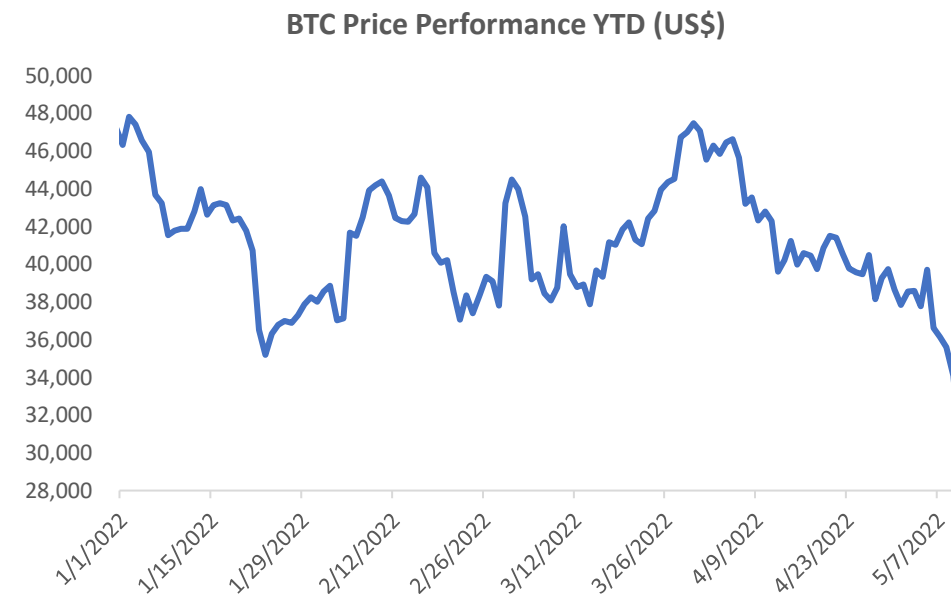
Layer-1 Blockchains

Layer-1 Summary (26 Apr – 10 May 2022)

- 1. Bitcoin (2W: -24.2%%)/(YTD: -34.0%)**
TradFi warms up to Bitcoin
- 2. Ethereum (2W: -23.3%)/(YTD: -37.9%)**
Key takeaways from Devconnect Amsterdam
Otherside Land Sale Overloads Ethereum, gas spikes
- 3. Cosmos (2W: -42.1%)/(YTD: -60.6%)**
EVMOS launch was not as popular as expected
- 5. News and Headlines**

TradFi Warms Up to Bitcoin

- Fidelity, the largest provider of 401(k) plans in the US, announced it would enable participants to allocate investments into Bitcoin. But the Department of Labor cautioned fiduciaries to exercise “extreme care”, since 401(k) should only include prudent options.
- Goldman Sachs is offering its first lending facility backed by Bitcoin. Goldman has been increasing its crypto offerings recently, with its first OTC Bitcoin options in March and a digital assets team.
- Jefferies is expanding banking services for crypto clients.
- LGT, the largest family-owned private bank in the world, is launching custody and trading services for BTC and ETH.
- In Miami, Milo Credit is allowing homebuyers obtain crypto mortgages: pledge crypto and no down payment.



Note: As of 10 May 2022

Ethereum – Key Takeaways from Devconnect

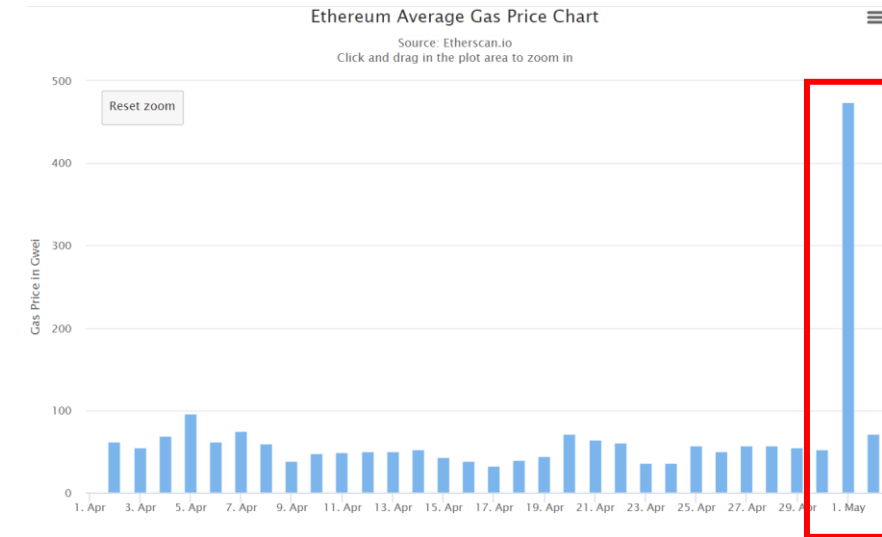


Devconnect Highlights (Amsterdam, April 18-25)

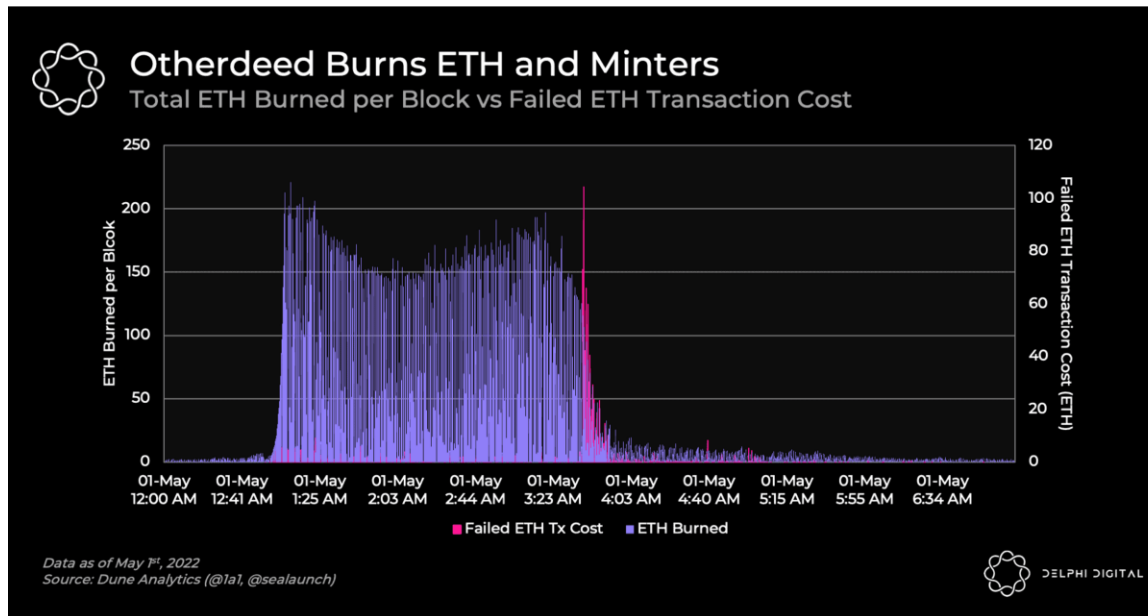
- **MEV** (Maximal Extractable Value) – a hot topic as of late, as it allows “sandwich attacks” to extract value from DeFi transactions through arbitrage. Vitalik shared possible solutions include doubly-trusted relays and in-protocol PBS (proposer/builder separation).
- **Shadowfork** – developers fork Ethereum mainnet to do a “practice merge”.
- **L2 Amsterdam** – Occurred during Devconnect week, which discussed Ethereum’s rollup-centric roadmap with essentially all L2 teams in attendance. Topics included a development “checklist” for L2s and setting up a “risk framework” across L2.
- **EVM equivalence vs EVM compatibility** – EVM compatibility is dead; either go full EVM compatibility or build up a totally new ecosystem.

Ethereum – Otherside Land Sale Overloads Ethereum

- **Yuga Labs**, the team behind the BAYC NFT, launched the sale of “Otherside” land on April 30 with 55,000 plots made available for public sale.
- The mint caused Ethereum gas prices to spike to levels of over ~17k gwei, with buyers paying ~2.5-4ETH in gas fees for the mint.
- The mint burned over 55,000ETH (~US\$159 million), ranked 1st in 30-day ETH burn leaderboard (6th all time since EIP-1559).

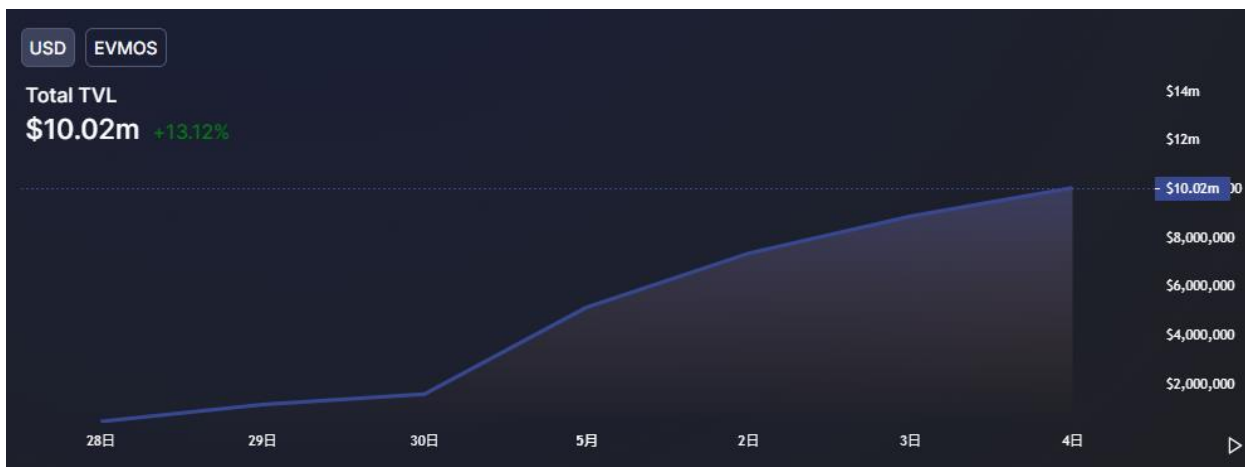


BURN LEADERBOARD			30d
	Otherdeed	NFTs	55,865.99 ETH
	OpenS...	NFTs Exchange Contra...	22,061.68 ETH
	ETH transfers		14,688.02 ETH
	Uniswap V3	DeFi Router 2	11,243.40 ETH
	Tether	DeFi USDT Stablecoin	4,876.94 ETH



Cosmos – EVMOS launch was not as popular as expected

- EVMOS was scheduled to be launched in March but delayed and relaunched recently.
- It sets up connectivity between COSMO and Ethereum ecosystem. High expectation was from investors as new projects (Kinesis/Cronus) and existing projects (Frax and AAVE 3) announced to move in previously. **But it seemed there wasn't huge capital flow-in after one-week of launch, possibly due to overall DeFi contraction and more time needed for blue chip protocols to set up its presence.**



Note: As of 4 May 2022



News & Headlines

AXIA releases mainnet AXIA blockchain

The AXIA blockchain is a hyper-deflationary network that aims to reduce congestion through modular and scalable blockchain, facilitate interoperable blockchains, and lower fees. It aims to have a complete tool including digital banking, NFT platform, DEX, incubator, use-to-earn browser and messaging app within the AXIA ecosystem. [[PRNewswire](#)]

Solana faced with seven-hour outage

The Solana network failed to reach consensus following an enormous flood of bot transactions related to an NFT minting program (4m per second), surpassing 100gbps. The seven-hour outage ended after validators completed a cluster restart. The SOL token fell ~7% following the drop. This is Solana's seventh outage for 2022. [[Bloomberg](#)]

Cardano Network Developers Increase Block Size by 10%

A new upgrade on Cardano has seen the network's block size increase by 10%, as per developers earlier this week. [[CoinDesk](#)]

Bitcoin network difficulty reaches all-time high

The bitcoin difficulty, a relative measure of how difficult it is to mine a new block, reached 29.79 trillion recently, further solidifying Bitcoin's resilience to malicious attacks. This follows a steady increase in difficulty after June 2021's fall in difficulty of nearly 46%. [[CoinTelegraph](#)]

Bitcoin mining using sustainable energy grows 60%

According to the Bitcoin Mining Council report, a group of 44 Bitcoin mining companies which represent ~50% of the global Bitcoin network, the global Bitcoin mining industry increased its sustainable energy mix by ~59% YoY. The report comes amid increased scrutiny against energy usage in proof-of-work blockchains. [[CoinTelegraph](#)]

Blockchain ETF to be listed on Hong Kong Exchange

Samsung Asset Management is planning to list a blockchain ETF on the Hong Kong exchange, the first of its kind to list in Asia. This comes after Samsung AM's acquisition of a minority stake in US ETF sponsor Amplify, which has an ETF that invests in blockchain companies (BLOK). ([The Block](#))

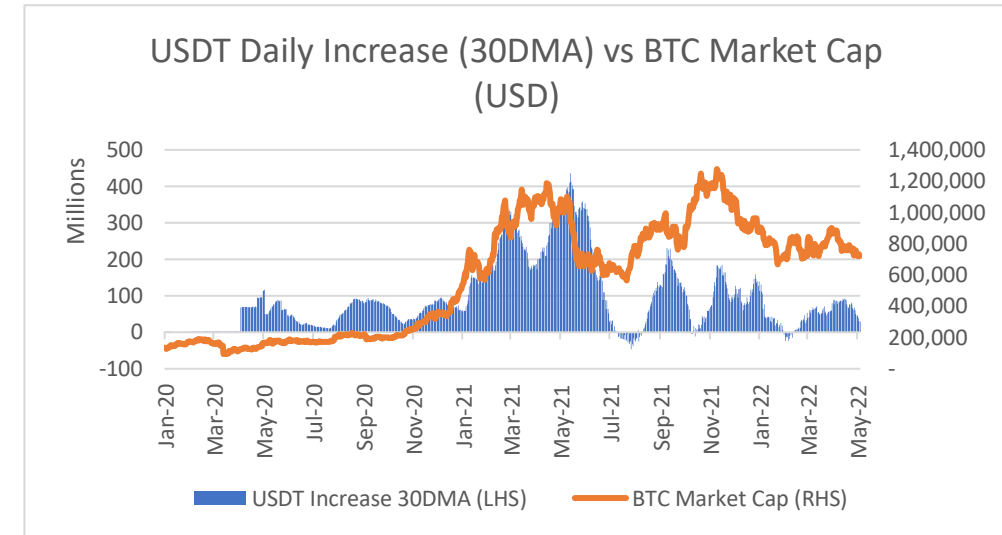
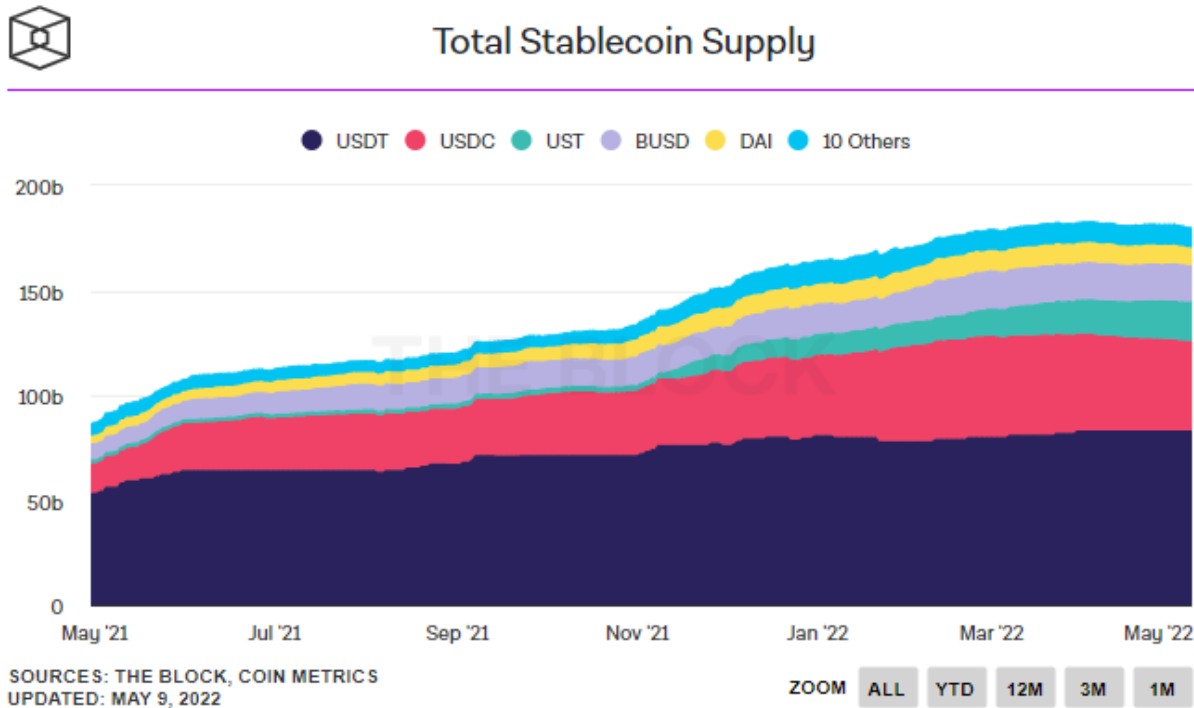
Stablecoins

Stablecoins Summary (26 Apr – 9 May)

- 1. Centralized Stablecoins**
Supply remains level, USDC shrinks.
- 2. Decentralized Stablecoins**
UST de-pegs, is this the beginning of the death spiral?
New decentralized stablecoins take spotlight.
- 3. Decentralized Stablecoin Updates – Spotlight on New Decentralized Stablecoins**
Decentralized stablecoins USN and USDD seems to capitalize on the immense growth of Terra's UST
- 4. Decentralized Stablecoin** - Introduction of USDD signaled end of fully algorithmic stablecoin?
Fully algorithmic stablecoin shifts to partly backed and partly algorithmic system.

Centralized Stablecoins Updates – Supply Remains Level

- USDC drops to USD42.8b after March peak of US\$48.3b
- For the past two weeks:
 - Total stablecoin down slightly to US\$180b.
 - USDT supply was roughly level.



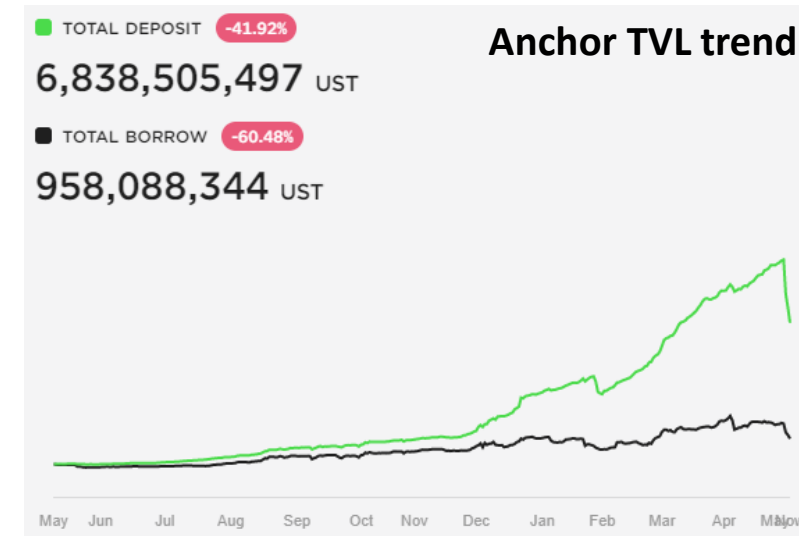
Note: As of 4 May 2022

Decentralized Stablecoin Updates – UST De-pegs, will we see the death spiral?

- UST supply grew to US\$18.77b on May 8 before it briefly lost its peg to the USD (to \$0.987).
- On May 10, UST de-depegged again, reaching as low as \$0.60 on Binance, struggling to reach its \$1 peg.
- Binance suspended UST sell orders below \$0.70 and later changed to \$0.50; Binance also suspended UST and LUNA token withdrawals.
- LUNA plunged from Friday's US\$80 to ~US\$25.
- **What Happened?**
 - Large withdrawals from Anchor Protocol – Deposits from US\$14b to US\$9.8b
 - Large UST market-sells, which pressured the peg and kickstarted panic amid widespread market downfall
 - Curve UST + 3Crv imbalanced – replenished, and drained again. At present: 93.7%UST to 6.3%3Crv
 - LFG announced to loan out US\$1.5b bitcoin reserves to defend UST peg
 - UST/LUNA arbitrage not instant due to mint/burn spread – the effort to restore peg is ongoing

Currency reserves

UST:	20,184,480.81	(93.71%)
3Crv:	1,355,840.01	(6.29%)
UST+3Crv:	21,540,320.82	



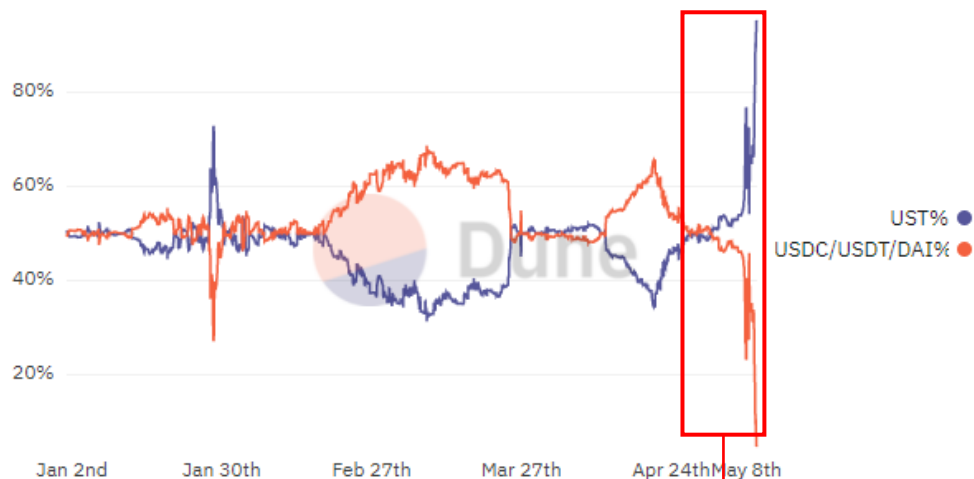
Decentralized Stablecoin Updates – UST De-pegs, will we see the death spiral? (cont'd)

UST liquidity drying up on Curve pools

Balance proportion UST-3pool

Pool balance in wormhole UST pool on mainnet Curve

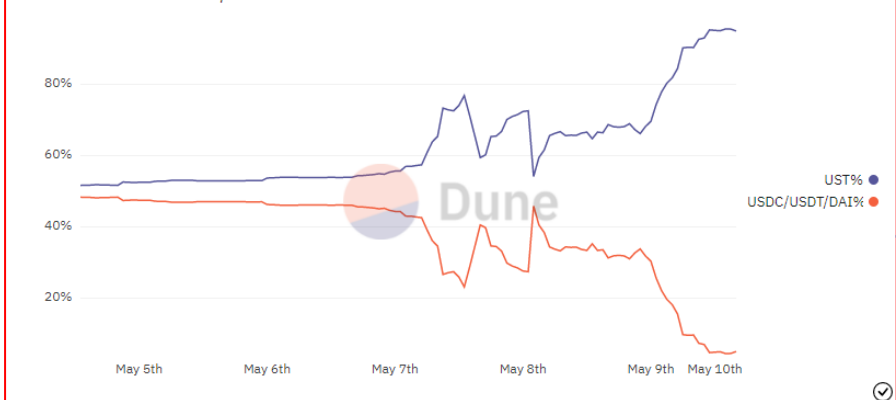
@mhonkasalo



Balance proportion UST-3pool

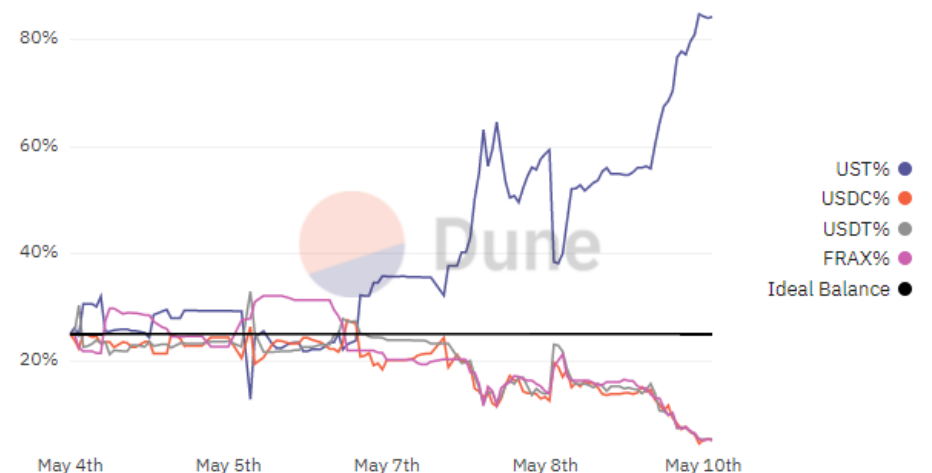
Pool balance in wormhole UST pool on mainnet Curve

@eugene



Balance proportion 4pool Curve Balance (FRAX/UST/USDC/USDT)

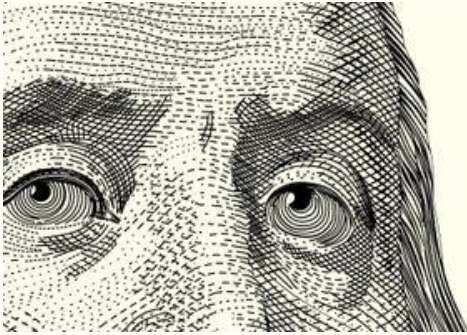
@mhonkasalo



- Curve UST-3pool reached 77%-23% during the first wave of UST sell off.
- It was replenished to 60%-40% and trended towards 73%-37%, before reaching normal levels.
- Balance proportion quickly widened to 70%-30% and surged to 95%-5% in early May 10 when UST de-pegged to \$0.65.

Decentralized Stablecoin Updates – Spotlight on New Decentralized Stablecoins

There seems to be a new wave of decentralized stablecoins to capitalize on the immense growth of Terra's UST:



USN

the first NEAR-native
stable coin
by Decentral Bank DAO

USN on NEAR Protocol

- USN is soft-pegged to the USD, backed by a Reserve Fund containing NEAR and USDT.
- USN maintains its peg through arbitrage: exchange of NEAR and USN.
- The difference between USN and UST is that USN is overcollateralized since NEAR is not burned, just held in a reserve.
- USN offers uncapped yield with minimum of 11% APY.
- Launched on April 25 2022.

TRON | USDD

USDD

Decentralized USD

THE MOST DECENTRALIZED STABLECOIN
IN HUMAN HISTORY

USDD on TRON

- Similar to other algorithmic stablecoins, USDD will be pegged to the USD through USD and TRX arbitrage
- The TronDAO will raise US\$10b as collateral backing to ensure price stability.
- At launch, TronDAO will set its reserve with a 30% interest rate, higher than USN's 11% and UST's 20%.
- Launched on May 5 2022.

Decentralized Stablecoin Updates – Introduction of USDD signal end of fully algorithmic stablecoin?

- Surprised to many, Tron blockchain is home to another stablecoin Just Stablecoin (USDJ), a fully algorithmic stablecoin. USDJ was issued after users collateralize TRX (native token in JUST network). USDJ seemed to be unpopular with only \$14.9m circulating supply currently.
- As UST backed up its reserve with bitcoin and AVAX, top remaining pure algorithmic stablecoin include USDN. Given USDN's high volatility and feud with Alameda last month, stability of fully algorithmic stablecoin may be in question.

USDJ to USD Chart



Neutrino USD to USD Chart



DeFi

DeFi Summary (26 Apr – 10 May 2022)

1. TVL by chains

- Overall TVL declines with weak market performance; Ethereum outperforms

2. TVL by protocols

- Anchor leads decline as UST depegs.
- Aave pares back TVL gains from late March/Early April
- Instadapp, Lido drops with market decline

3. Top DEX pools

- Liquidity maintains slight downtrend.

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

5. DeFi revenue

- NFT activity boosts OpenSea revenue, ENS domain hype brings it onto the top revenue list.

6. Noteworthy DeFi Protocols (SushiSwap, MakerDAO, Uniswap)

- SushiSwap proposes restructure
- MakerDAO builds on StarkNet to save costs
- Uniswap nears 60% market share on Polygon

7. Optimism Token Airdrop

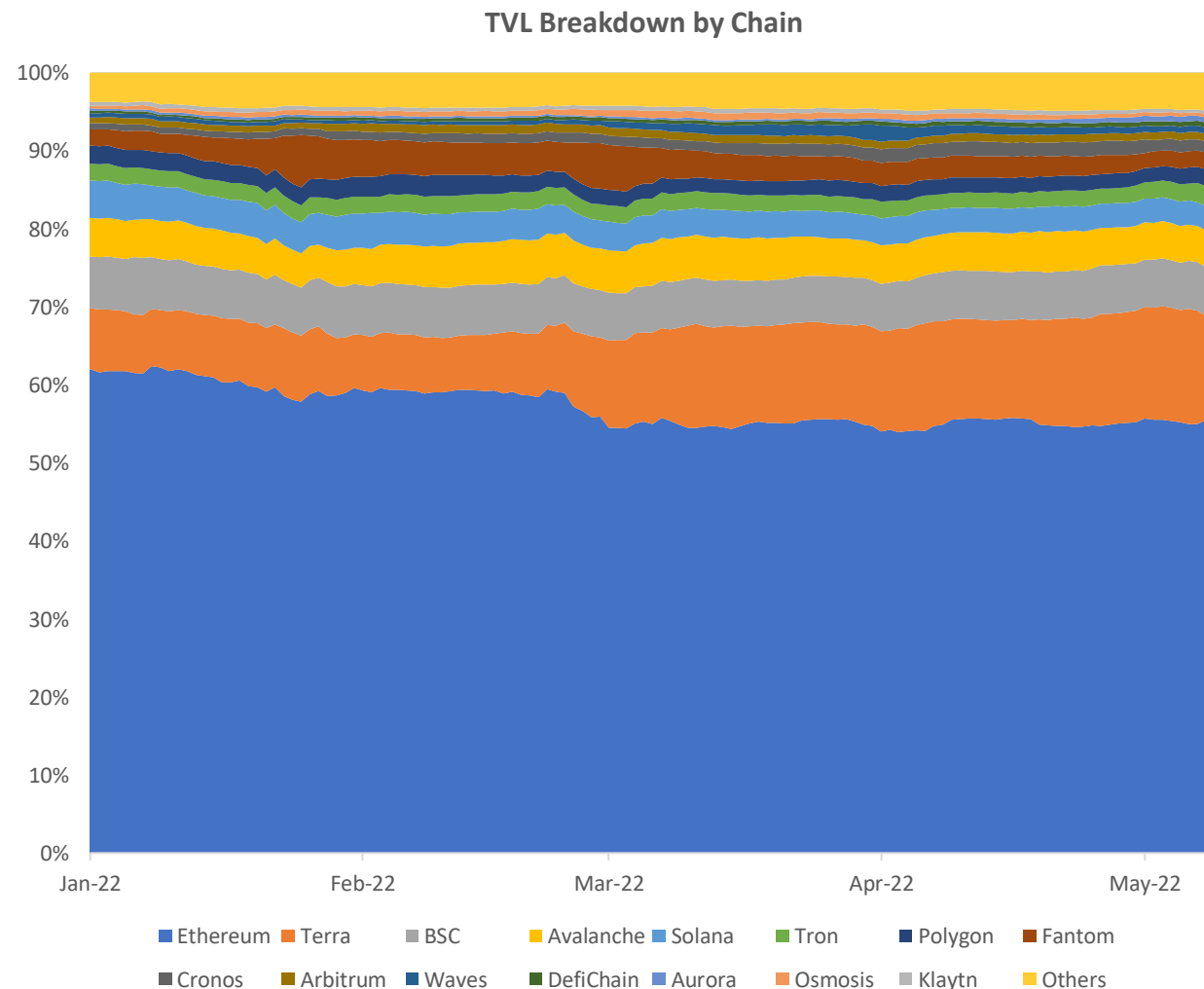
- Optimism announces a season of airdrops

TVL Overview by Chain – Overall TVL Declines; Ethereum Outperforms

Total TVL dropped from US\$214b on 26 Apr to US\$157b on 10 May, a 26% decrease.

During the period, notable winners/losers were:

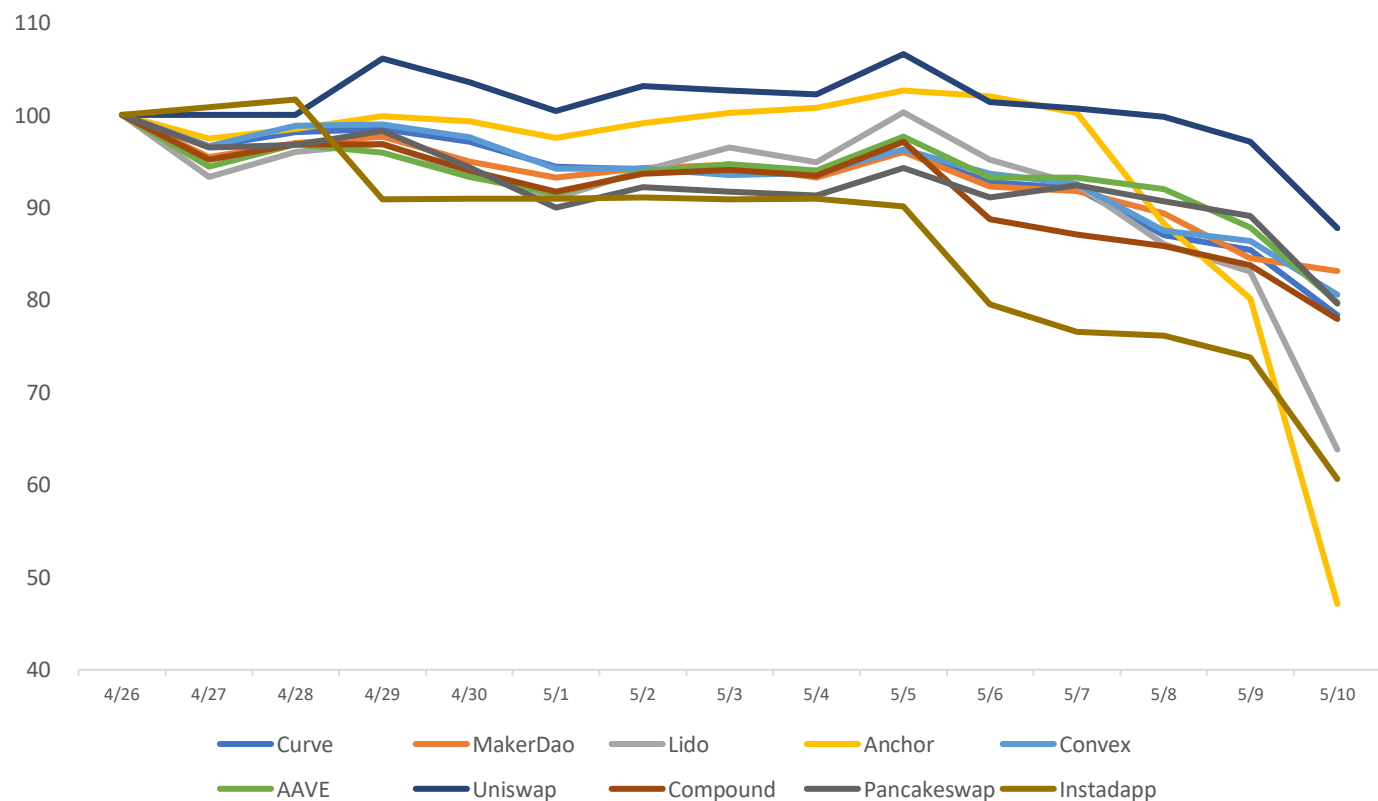
- Terra at -61.4% TVL loss amid UST de-pegging
- Ethereum adds 483bps to its market share to 59.6%, mainly due to poor performance of other L1 chains.
- Terra, Cronos and Fantom leads losses with 683bps, 36bps and 21bps drop in market share respectively.
 - Fantom continues to bleed, with top protocols marking double-digit percentage TVL losses (7 day) except for Scream.



TVL Overview by Protocols

- Anchor leads decline as UST depegs.
- Aave pares back TVL gains from late March/Early April
- Instadapp, Lido drops with market decline

TVL of Top DeFi Protocols in terms of TVL (26 Apr 2022 = 100)



Procotols	4/26/2022	5/10/2022	Period change
Curve	20,101,023,410	15,754,691,831	-21.6%
MakerDao	14,092,052,121	11,716,483,651	-16.9%
Lido	19,336,725,141	12,333,464,845	-36.2%
Anchor	16,709,726,866	7,871,744,084	-52.9%
Convex	12,272,338,020	9,884,152,614	-19.5%
AAVE	12,079,890,333	9,630,447,586	-20.3%
Compound	6,310,017,145	4,917,263,768	-22.1%
Pancake	5,093,302,800	4,055,508,195	-20.4%
Instadapp	5,068,445,834	3,073,866,083	-39.4%

Top DEX Pool Trends

- Liquidity maintains slight downtrend

Uniswap

Top Pairs ?

#	Pair/Pool	Liquidity	Volume	Fees	ROL
1	USDC - ETH	\$230.95m	\$86.32m	\$258.96k	40.93%
2	WISE - ETH	\$170.07m	\$66.73k	\$200.19	0.04%
3	FEI - TRIBE	\$135.25m	\$3.21m	\$9.63k	2.60%
4	ETH - USDT	\$118.91m	\$41.55m	\$124.64k	38.26%
5	FXS - FRAX	\$110.85m	\$18.15m	\$54.46k	17.93%
6	DAI - USDC	\$87.1m	\$416.68k	\$1.25k	0.52%
7	MC - ETH	\$36.39m	\$705.02k	\$2.12k	2.12%
8	USDC - USDT	\$31.75m	\$954.42k	\$2.86k	3.29%
9	FNK - USDT	\$29.93m	\$423.27	\$1.27	0.00%
10	PAXG - ETH	\$24.87m	\$2.35m	\$7.05k	10.34%

Liquidity Provided



Curve

Top Pools ?

#	Pool	Liquidity	Volume	Fees	ROL
1	steth	\$3.73b	\$329.7m	\$68.85k	0.65%
2	frax	\$2.75b	\$22.12m	\$7.07k	1.07%
3	3pool	\$2.66b	\$139.41m	\$168.52k	2.22%
4	tricrypto2	\$702.55m	\$484.89m	\$112.63k	5.14%
5	mim	\$639.39m	\$277.88m	\$66.21k	3.68%
6	ib	\$431.23m	\$2.8m	\$1.05k	0.09%
7	alusd	\$185.34m	\$2.14m	\$1.32k	0.97%
8	ren	\$167.26m	\$6.96m	\$1.41k	0.29%
9	susd	\$111.54m	\$15.21m	\$3.85k	1.19%
10	lusd	\$106.88m	\$20.59m	\$5.16k	2.88%

Liquidity Provided



SushiSwap

Top Pairs ?

#	Pair/Pool	Liquidity	Volume	Fees	ROL
1	ILV - ETH	\$212.1m	\$2.37m	\$7.11k	1.22%
2	USDC - ETH	\$147.69m	\$66.35m	\$199.06k	49.19%
3	WBTC - ETH	\$76.07m	\$2.79m	\$8.38k	4.02%
4	BIT - ETH	\$72.21m	\$3.99m	\$11.96k	6.04%
5	TOKE - ETH	\$60.65m	\$1.2m	\$3.59k	2.16%
6	ETH - USDT	\$53.54m	\$24.46m	\$73.37k	50.02%
7	DAI - ETH	\$35.65m	\$13.99m	\$41.96k	42.97%
8	OHM - DAI	\$33.58m	\$3.33m	\$9.99k	10.86%
9	SUSHI - FRAX	\$22.41m	\$2.33m	\$6.99k	11.39%
10	SUSHI - ETH	\$22.12m	\$6.7m	\$20.1k	33.17%

Liquidity Provided

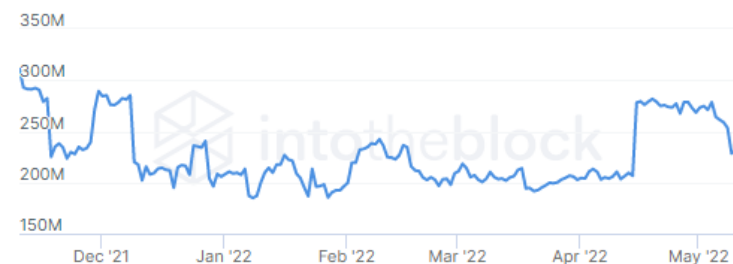


Top DEX Pool Trends

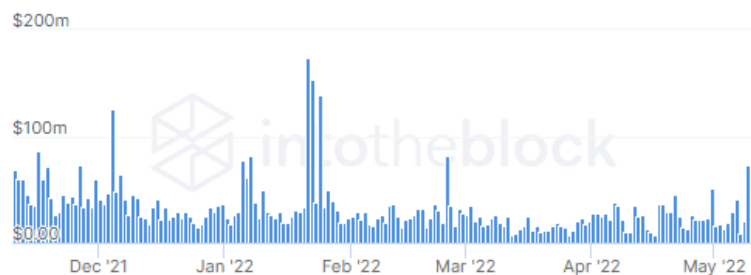
Uniswap

Top Pair Data: USDC - ETH

Total Liquidity, USD



Volume Traded



Fees per Liquidity



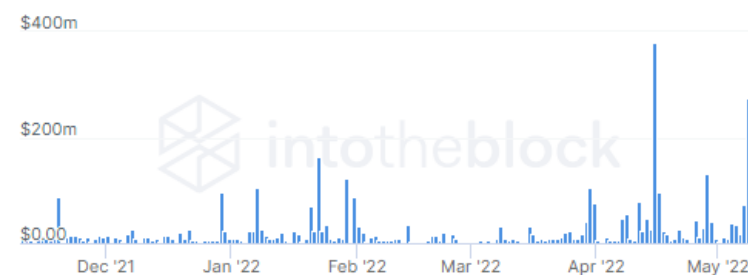
Curve

Top Pair Data: steth

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	Reward	Rewards	APY	7d ago	TVL
ETH	Lido Ethereum	3.50%	-		3.50%	3.60%	\$9,986,716,400
UST	Anchor Terra	20.90%	-		20.90%	18.00%	\$6,773,086,922
WETH	Aave Ethereum	0.68%	0.10%	Aave	0.79%	0.91%	\$3,286,309,173
fraxFRAX 3Crv	Convex Ethereum	1.02%	5.35%	CRV CVX FXS	6.37%	5.95%	\$2,757,300,000
LUNA	Lido Terra	7.20%	-		7.20%	7.00%	\$2,450,175,448
USDC	Aave Ethereum	1.57%	0.30%	Aave	1.87%	2.06%	\$2,329,224,278
stethETH stETH	Convex Ethereum	2.70%	2.08%	CRV CVX LDO	4.78%	4.22%	\$2,321,000,000
ETH	Compound Ethereum	0.05%	0.06%	COMP	0.10%	0.10%	\$1,979,073,168
WBTC	Aave Ethereum	0.02%	0.05%	Aave	0.07%	0.08%	\$1,679,751,503
USDT	Aave Ethereum	1.79%	0.20%	Aave	1.99%	2.08%	\$1,260,009,942

Top pools fall below US\$10b; Lido (ETH) replaces Anchor amid UST depeg selloff

TVL for Luna on Lido crashes from ~US\$7.5b to US\$2.5b

Top Yield Farming Pools - APY

Top APY pool (TVL > 100m)

Name	Protocol	Base	Reward	Rewards	APY	7d ago	TVL
LUNA UST	Astroport Terra	549%	-		549%	25.73%	\$144,020,000
DUSD DFI	DefiChain Defichain	-	73.12%	DFI	73.12%	68.38%	\$193,510,907
UST OSMO	Osmosis Osmosis	65.52%	-		65.52%	66.69%	\$192,697,466
BTC DFI	DefiChain Defichain	-	56.78%	DFI	56.78%	55.50%	\$343,292,482
ATOM OSMO	Osmosis Osmosis	55.36%	-		55.36%	52.37%	\$218,164,528
bLUNA LUNA	Astroport Terra	50.28%	-		50.28%	12.12%	\$187,480,000
USDC	Vires Waves	43.33%	0.74%	VIRES	44.07%	42.30%	\$288,977,785
USDN	Vires Waves	41.50%	0.70%	VIRES	42.20%	39.58%	\$692,060,996
USDT	Vires Waves	38.76%	0.72%	VIRES	39.48%	40.32%	\$253,322,919
WBTC WCRO	VVS Cronos	1.03%	37.96%		38.99%	39.47%	\$188,440,000

Terra/Luna
pools climb the
list

WAVES stable
pools returns to
top 10

Top APY pool (TVL > 10m)

Name	Protocol	Base	Reward	Rewards	APY	7d ago	TVL
sCASH COW	Quarry Solana	-	653%	COW	653%	656%	\$10,198,958
LUNA UST	Astroport Terra	549%	-		549%	25.73%	\$144,020,000
AVAX UST	Trader Joe Avalanche	247%	-		247%	13.13%	\$12,244,299
UST 3Crv	Curve Ethereum	92.66%	92.66%	CRV	185%	9.70%	\$19,900,000
LDO WETH	Balancer Ethereum	43.11%	120%	Max BAL Min BAL	164%	135%	\$11,204,133
TINC WBNB	PancakeSwap BNB Chain	4.83%	150%	CAKE	155%	194%	\$10,156,007
ASTRO UST	Astroport Terra	154%	-		154%	67.82%	\$35,640,000
sSUNNY CASH	Quarry Solana	-	127%	COW	127%	121%	\$14,171,510
BTCB USDT	Alpaca BNB Chain	119%	19.69%	ALPACA	124%	26.06%	\$18,748,525
VVS WCRO	VVS Cronos	1.71%	119%		121%	121%	\$64,879,999

DeFi Revenue - DeFi Protocols

- DeFi activity has shown improvement in the last week; ENS activity skyrocketed and cooled
- Osmosis, Curve, dYdX, and PancakeSwap were notable gainers for the week.

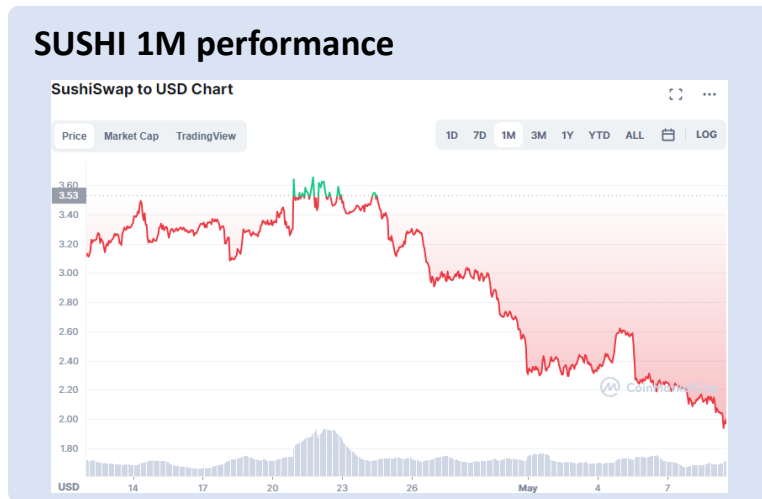


Project	Revenue 7d (US\$)	Revenue 30d (US\$)	Revenue 180d (US\$)	7d Trend	30d Trend
OpenSea	\$ 78.7m	\$ 402.8m	\$ 1,909.0m	-31.5%	26.1%
Uniswap	\$ 19.3m	\$ 78.4m	\$ 689.2m	-9.6%	-10.8%
LooksRare	\$ 15.8m	\$ 73.9m	\$ 562.2m	-13.2%	-5.0%
Convex Finance	\$ 9.2m	\$ 41.9m	\$ 363.3m	-0.1%	-3.5%
PancakeSwap	\$ 10.1m	\$ 40.6m	\$ 361.4m	34.6%	-9.3%
Lido Finance	\$ 8.2m	\$ 36.0m	\$ 166.6m	-4.2%	16.9%
dYdX	\$ 6.4m	\$ 32.9m	\$ 276.5m	52.3%	-36.1%
Aave	\$ 3.4m	\$ 18.3m	\$ 142.3m	-12.1%	-4.7%
ENS	\$ 3.8m	\$ 13.5m	\$ 36.8m	-48.9%	393.4%
MetaMask	\$ 2.5m	\$ 11.3m	\$ 97.3m	-41.3%	16.4%
SushiSwap	\$ 2.9m	\$ 10.9m	\$ 149.5m	16.4%	-23.0%
Osmosis	\$ 3.9m	\$ 10.4m	\$ 50.6m	147.9%	-10.5%
Trader Joe	\$ 2.3m	\$ 8.6m	\$ 142.0m	21.8%	-31.8%
Compound	\$ 1.2m	\$ 8.3m	\$ 97.4m	-31.4%	-28.8%
SpookySwap	\$ 1.5m	\$ 8.1m	\$ 108.6m	-37.9%	-18.9%
Balancer	\$ 1.3m	\$ 6.5m	\$ 43.8m	-23.7%	50.7%
Curve	\$ 3.1m	\$ 6.4m	\$ 71.6m	138.3%	26.0%
Maple Finance	\$ 1.1m	\$ 6.4m	\$ 27.5m	23.6%	19.1%
yearn.finance	\$ 1.2m	\$ 6.2m	\$ 74.3m	-4.1%	-31.4%
MakerDAO	\$ 1.3m	\$ 5.9m	\$ 52.2m	-3.4%	-2.2%

Note: As of 10 May 2022

Noteworthy DeFi Protocols – SushiSwap's Restructure Proposal Try to Save Itself from Internal Turmoil

- Since CTO Joseph Delong left in Dec 2021, the internal leadership and teams are at a mess with TVL cut into half thereafter.
- A new proposal put forward intend to revamp the compensation package and seek for new leadership. In particular, around US\$10.4m multi-year package was draft under the backdrop of US\$17m currently held in treasury and US\$800k annual protocol fee expected to generate.
- Based on comments, it seems majority of community are for this proposal.



Note: As of 10 May 2022

Source: Sushiswap, Coinmarketcap

Sushi 2.0: A Restructure For The Road Ahead

Proposals



JiroOno

4 9d

Background

Sushi was the darling of 2021, we as a community made a name for ourselves and established Sushi as a central product among our ecosystem. What started as a completely fair launch (90% of tokens released for the public, 10% for treasury), quickly transcended into a team & group of strangers that had no background with each other. We accomplished far more than we set out to in 2021 but the lack of operational efficiency & lack of focused attention towards the long-term was evident in the second half of 2021. Ultimately Sushi took a tumble, major turnover began and both the team and community was left a shell of itself.

What's happened since the turmoil

With the failed Frog Nation takeover, the remaining team was left to keep Sushi running with major question marks. Community members took the lead to sort out the issues and establish a way forward along with a team motivated to keep Sushi alive. Thereafter, immense change and progress has been made in a short amount of time. Several months have been dedicated to picking up the pieces and working through tough discussions. What came of those trials is a long-term vision for what we believe is a bright future for Sushi and its community.

Product and feature releases during the reorganization:

- [Release of Trident](#) 61
- [Release of MISO v2](#) 8 & [MultiChain launch](#) 20
- [Shōyu 2.0 redesign proposed and nearing completion](#) 12
- [Limit orders introduced](#) 10
- [Sushi Guard implemented](#) 19
- [Kashi UI design update](#) 10
- [SAKE is nearing distribution](#) 28

Noteworthy DeFi Protocols – MakerDAO Builds on StarkNet to save costs

MKR 1M performance



- StarkNet is a layer 2 scaling transaction using ZK-rollup technology.
- MakerDAO's move can possibly reduce transaction costs significantly.
- Fractionally collateralized stablecoin UST and FRAX have been popular with higher capital efficiency and lower transaction fee as they operate in low-cost blockchains.
- MakerDAO has been continuously adding new collateral types and expand to other chains to attract users.

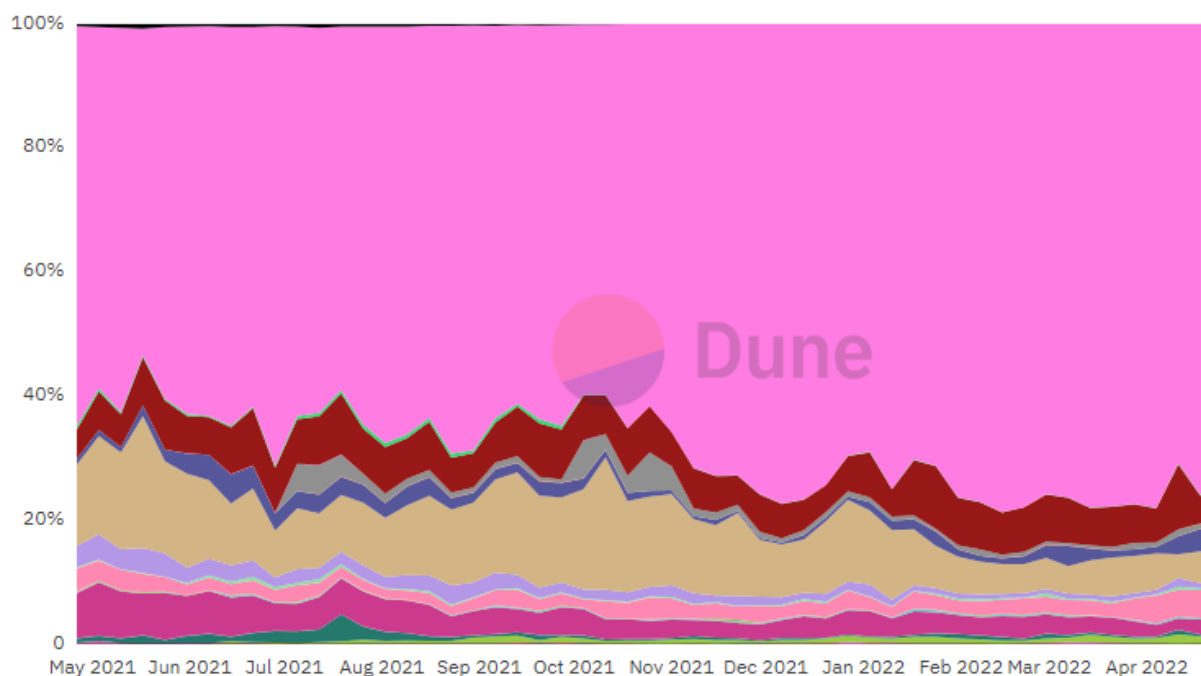


Noteworthy DeFi Protocols – Uniswap nears 60% market share in Polygon, extending its dominance out of Ethereum mainnet; Sushiswap's market share contracts while Balancer catches up.

- Uniswap's dominance was further enhanced since entering 2022 due to weak Sushiswap and OxNative.
- Balancer market share climbed further as veBAL staking was successful.



Market share Weekly DEX volume








2022-04-25 00:00

swapr	0.0%
airswap	0.0%
DFX Finance	0.1%
Convergence	0.0%
1inch Limit Order Protocol	1.1%
Synthetic	0.2%
LINKSWAP	3.9545715260136964e-7
Shell	0.0%
Smoothy Finance	0.0%
Unifi	1.1723117625561844e-8
Ox Native	2.9%
DefiPlaza	0.0%
Saddle	0.2%
PowerIndex	0.0%
Sakeswap	0.1%
LuaSwap	0.0%
Defi Swap	0.1%
Mooniswap	0.0%
Balancer	4.2%
Indexed Finance	0.0%
mStable	0.1%
Bancor Network	0.7%
Sushiswap	4.6%
1inch LP	5.679771751895657e-7
DODO	2.2%
Shibaswap	0.4%
Integral	0.0%
Curve	7.6%
Kyber	0.1%
Uniswap	75.4%

OPTIMISM Announces Token Airdrop

- Optimism is the 2nd largest L2 solution based on the optimistic rollup technology, in terms of TVL.
- The OP token airdrop comes alongside the announcement that it would form a DAO named Optimism Collective.
- Optimism will be doing an “entire season of airdrops” to encourage people to continue to use the protocol, even if they failed to qualify for the first round.

No.	Name	TVL	Market share	Purpose	Technology
1.	 Arbitrum	\$3.40B	57.07%	Universal	Optimistic Rollup
2.	 dYdX	\$988M	16.59%	Exchange	ZK Rollup
3.	 Optimism ^{OP}	\$613M	10.30%	Universal	Optimistic Rollup
4.	 Loopring	\$273M	4.59%	Tokens, NFTs, AMM	ZK Rollup
5.	 Metis Andromeda ^{OP}	\$229M	3.85%	Universal	Optimistic Chain

Tier	Description	Addresses Eligible	# OP per Address
Optimism Users	Used Optimism across multiple days, and used an app - OR - bridged to Optimism during the early mainnet phases (before June 23, 2021)	109,003	727.36
Repeat OP Users	Used Optimism during 4 or more unique weeks (after June 23, 2021).	20,439	1,584.42
DAO Voters	Voted on or authored at least one proposal on-chain, or at least two on Snapshot in the L1 Ethereum ecosystem.	82,285	254.45
Multisig Signers	Current signer on a multisig which has executed at least 10 transactions on L1 Ethereum.	19,543	1,114.23
Gitcoin Donors	Made an on-chain donation through Gitcoin on L1 Ethereum.	24,143	520.34
Priced out of Ethereum	Bridged to at least 1 of 10 chains from L1: Terra, BSC, Fantom, Avalanche, Solana, Polygon, Arbitrum, Optimism, Metis, or Boba. But, still remained a regularly active L1 Ethereum user.	74,296	383.27

OP airdrop eligibility table

NFT & Metaverse

NFT & Metaverse Summary

1. NFT Dashboard – BAYC/MAYC retrace after Otherside drop, Azuki drops due to creator FUD

2. Otherside Drop Causes NFT Volume, Gas to Spike

3. April NFT Volume Rebounds from March Lows to US\$8.6b

4. Average Daily Users on MagicEden Continues Uptrend

5. Otherside: Yuga Labs' Entry to an Immersive Metaverse

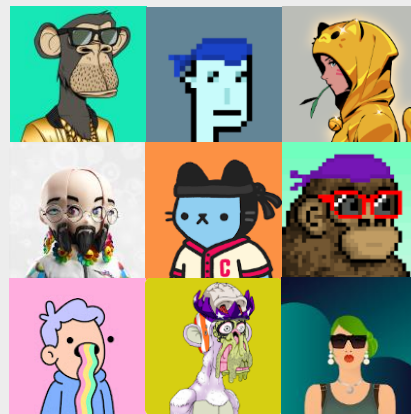
5. GameFi & Play-to-Earn

DeFi Kingdom JEWEL's fall from grace

6. News & Headlines

NFT Dashboard

Project	Floor Price	14D	YTD
"Blue Chip" Projects			
Bored Ape Yacht Club	88.0Ξ	-35.2%	38.4%
CryptoPunks	53.0Ξ	-14.5%	-18.1%
Tier-A Projects			
Azuki	14.9Ξ	-37.9%	325.1%
Clone X	14.0Ξ	-20.1%	251.0%
Cool Cats	4.0Ξ	-38.5%	-70.6%
CyberKongz	3.6Ξ	-17.8%	-23.1%
Doodles	17.1Ξ	10.0%	159.8%
Mutant Ape Yacht Club	19.3Ξ	-49.1%	65.8%
NFT Worlds	4.7Ξ	-48.0%	94.2%
World of Women	4.3Ξ	-43.1%	112.3%



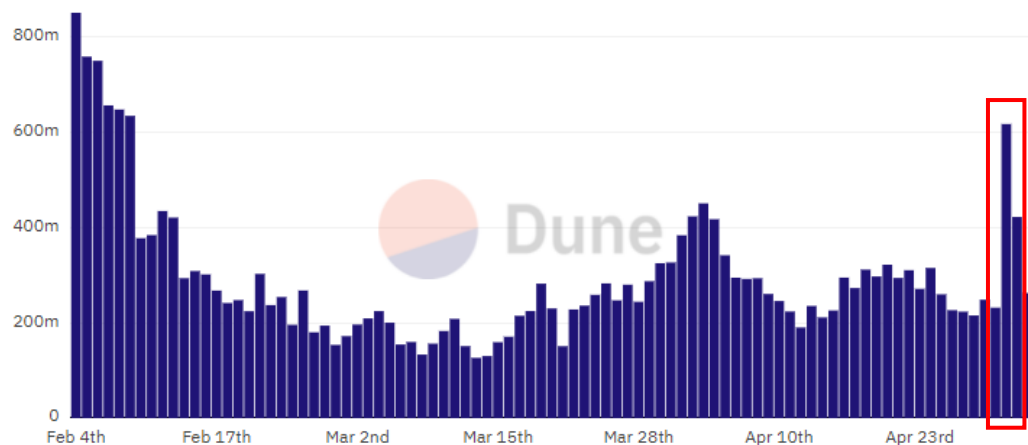
Top Sales of the Week*	Price
Otherdeed #2802	155.0Ξ
CryptoPunk #9064	120.0Ξ
BAYC #5267	119.8Ξ
BAYC #991	112.0Ξ
BAYC #9296	105.5Ξ
BAYC #8997	103.0Ξ
BAYC #4688	100.0Ξ
BAYC #5489	99.0Ξ
BAYC #6785	96.3Ξ
Moonbirds #4220	99.0Ξ

Top Collections of the Week* (by volume)	Volume (USD)
Otherdeed	\$211.0m
projectPXN	\$88.8m
Bored Ape Yacht Club	\$70.8m
Beanz	\$68.3m
Mutant Ape Yacht Club	\$54.1m
Azuki	\$45.3m
Doodles	\$31.9m
Murakami.Flowers	\$26.9m
Okay Bears	\$25.3m
CloneX	\$20.8m

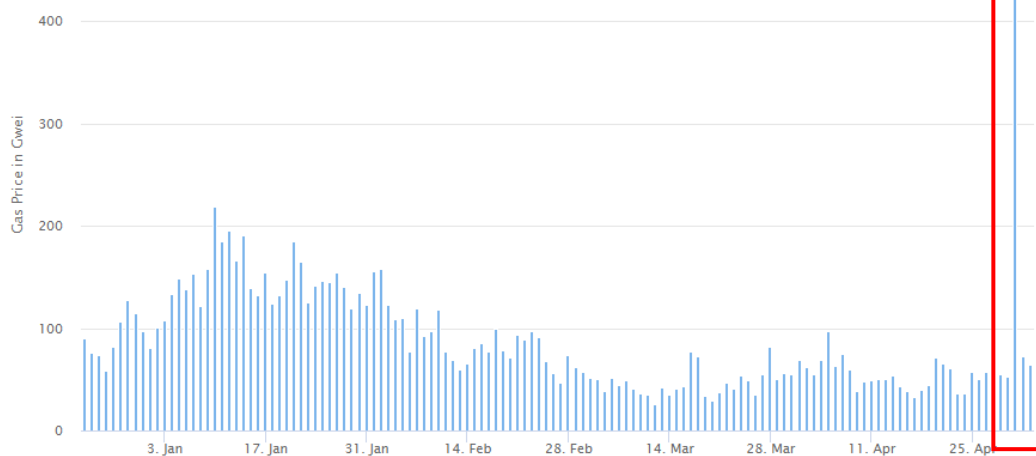
Otherside Drop Causes NFT Volume, Gas to Spike

Daily Total NFTs USD Volume

@eugenec



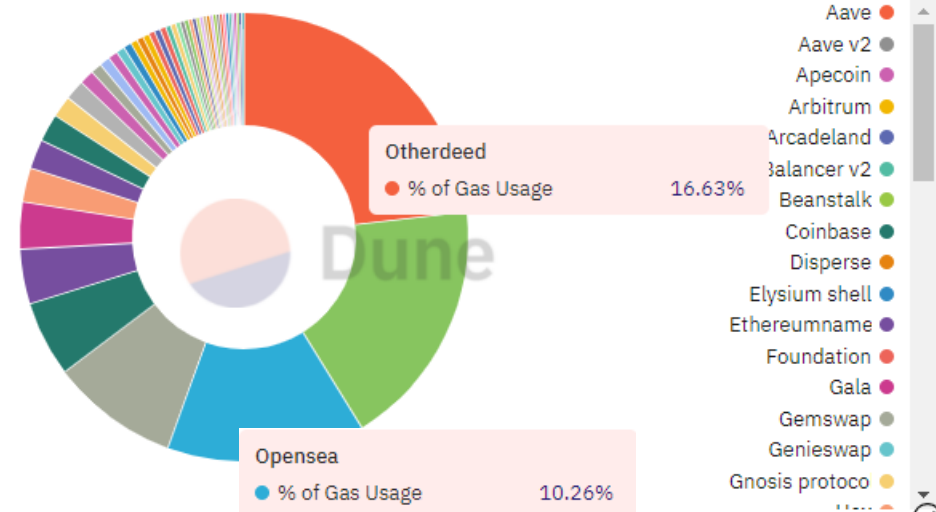
ETH Average Gas Price



- NFT trading volume retreated slightly from mid-April's Moonbirds release before spiking to US\$616m on the day of Yuga Labs' Otherside drop.
- Average ETH gas prices skyrocketed to ~475gwei vs average of 50-60gwei on a normal day.
- Average ETH gas prices remains at around ~55gwei, with OpenSea consumed ~10.3% of total gas over the last two months, while Otherside's release eclipsed all others with 16.6%.

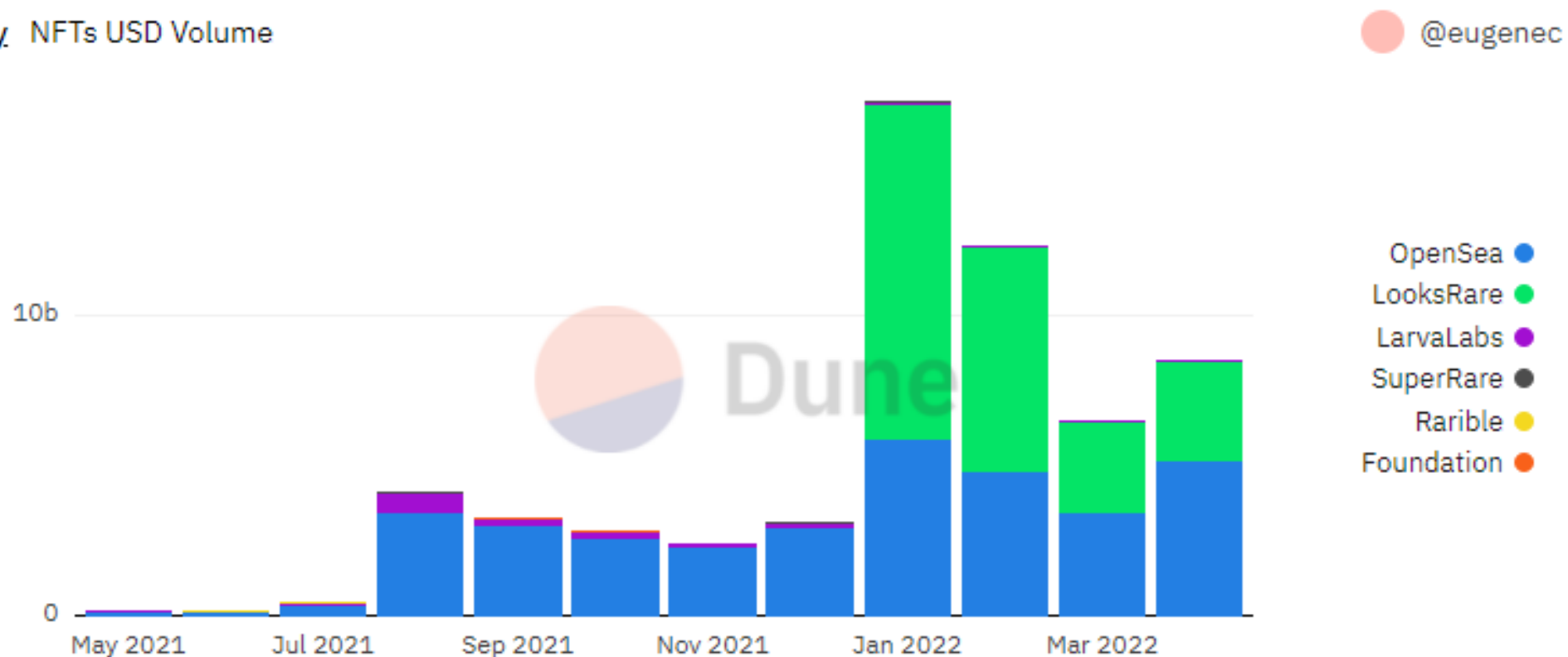
ETH Gas Guzzlers

@eugenec

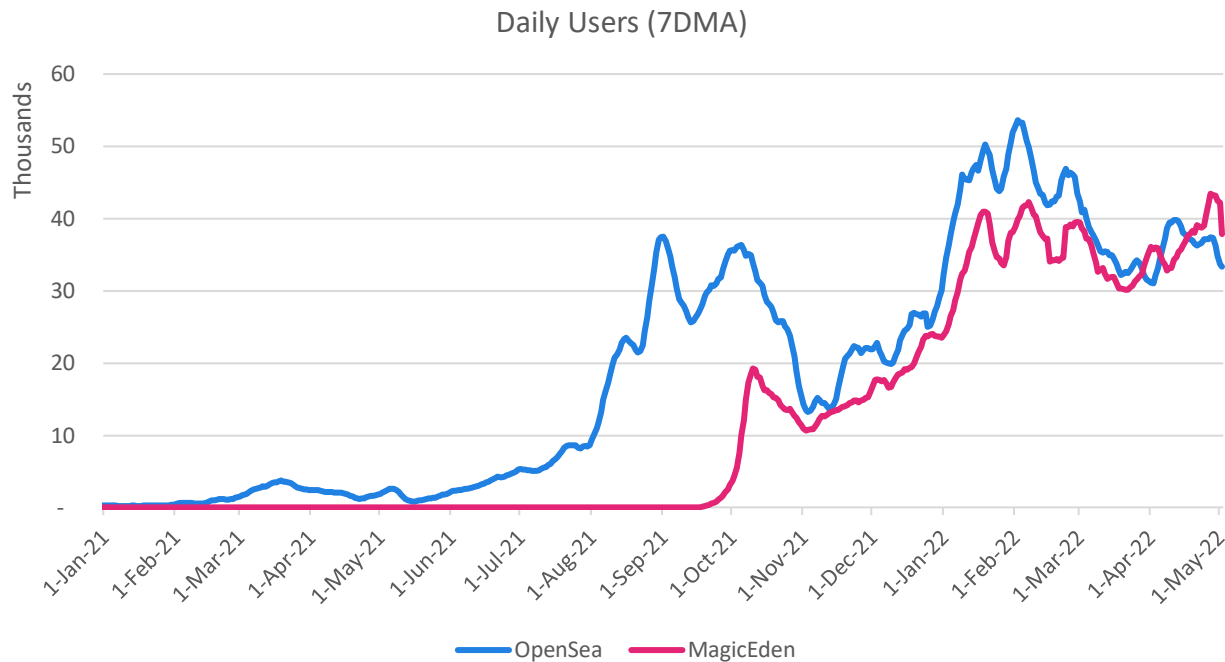


April NFT Volume Rebounds from March Lows to US\$8.6b

Daily NFTs USD Volume



Average Daily Users on NFT Marketplaces



- Average daily users on OpenSea resisted at ~40K and is floating in mid-30K's, while users on Magic Eden on an uptrend.
- Coupled with a lower entry price, there has been a notable trend of Ethereum NFT buyers entering the Solana NFT space in recent weeks.

Marketplace	Average Price per Trade*
OpenSea	US\$1,750
MagicEden	US\$410.4

*Notes: 7 days

Source: DappRadar, AMTD Research

Otherside: Yuga Labs' Entry to an Immersive Metaverse



Launch Date
April 30th

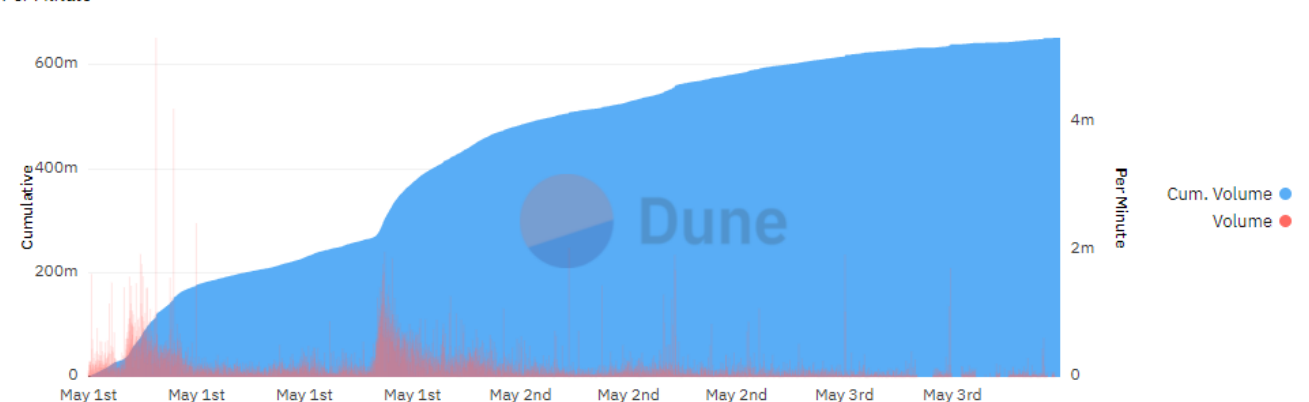
Mint Price
305 ApeCoin (~US\$6,300)

Quantity
100,000 (55,000 Public + 30,000 MAYC/BAYC holders + 15,000 Team) + 100,000 in Phase 2

Current Floor Price
3.58 ETH

- Otherside is Yuga Labs's entry into the metaverse – partnering with Improbable (technology) and Animoca Brands (VC incl. The Sandbox)
- The game is under development, which aims to be interoperable, immersive, and takes inspiration from MMORPGs.
- The Otherside drop (Otherdeeds) is a title claim to a plot of land when the game launches, with different rarities (e.g. resources)
- It has done over 200K ETH in secondary volume since launch, putting it in fifth of total volume of all time.

Otherdeed - Secondary Market Sales Volume
Per Minute



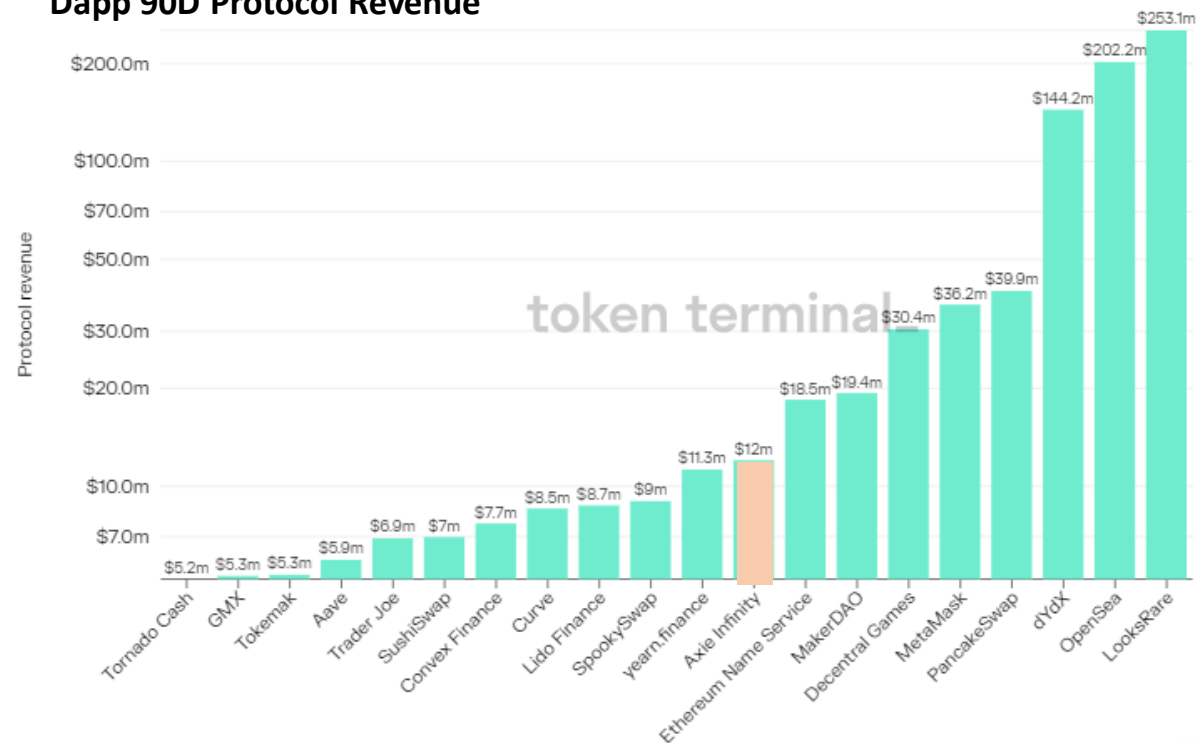
GameFi & Play-to-Earn

DFK Jewel: Fall from grace

- P2E sustainability is a repeating topic, and DFK was brought into the spotlight as of late due to recent market FUD and poor performing JEWEL token.
- The FUD was related to a JEWEL mining exploit, documentation discrepancies, and lack of transparency from the team.
- There has also been rumors of it being a coordinated attack.
- This led to JEWEL token to hit a bottom of US\$1.23 but rebounded to US\$2.00



Dapp 90D Protocol Revenue



News & Headlines

Coinbase Launches NFT Marketplace

Coinbase launched its long-awaited NFT marketplace in late April, opening access to some of the 3 million who signed up on its waitlist. The marketplace includes a social media aspect that differentiates it from competitors. However, it has only seen ~155 ETH volume (1,360 transactions) since its launch. [[CoinDesk](#)/[Dune Analytics](#)]

Binance Recovers US\$5.8m from Axie Infinity Hack

Binance managed to recover US\$5.8m of stolen funds related to the Ronin Bridge hack, which was spread over 86 accounts. The recovery is a small percentage of the US\$620+ million exploit, one of the largest in crypto history. The hack has been tied to a North Korean hacking group. [[CoinDesk](#)]

LooksRare Launches Listing Rewards

LooksRare, as an effort to increase liquidity and activity on its platform, launched its listing rewards program which allows NFT traders to earn LOOKS tokens just by listing the top active NFT collections on LooksRare. [[LooksRare](#)]

Users Unhappy with Ryan Carson Departure

The COO of PROOF Collective and Moonbirds, Ryan Carson, announced his departure on Twitter ten days after the launch of Moonbirds to start his NFT fund, 121G. This was met with widespread criticism on Twitter. [[Twitter](#)]

Moonbirds Volume Surpasses Doodles, Cool Cats

Secondary trading volume for Moonbirds (138K ETH) has exceeded the all time volume of Doodles (119K ETH) and Cool Cats (105K ETH) within less than three weeks of its launch, with floor price holding steady near 30 ETH despite the departure of PROOF COO Ryan Carson. [[Dune Analytics](#)]

News & Headlines

ApeCoin integrates with Polygon amid NFT mint backlash and speculation

ApeCoin (APE) announced its integration with Ethereum (ETH) sidechain Polygon (MATIC) after the recent Yuga Labs' Otherdeeds nonfungible token (NFT) minting incident led to speculation about a new chain for APE. [[Coin Telegraph](#)]

ENS Domain Sales Soars

Sales of ENS domains, particularly three- and four-digit domains (e.g. 123.eth) have soared recently, generating revenues exceeding US\$1m in daily revenue. The craze is amid a theory that owners of popular NFTs may want to own the same ENS number. [[Delphi Digital](#)]

OpenSea Acquires Market Aggregator Gem

The leading NFT marketplace has acquired aggregator service Gem, which offers analytics tools, rarity rankings and bundled purchasing to save on Ethereum gas fees. The move is to serve pro users in the NFT space and Gem will continue to operate as a standalone project. [[CoinDesk](#)]

Kraken Opens NFT Platform Waitlist

Crypto exchange Kraken has opened the waitlist for its non-fungible token platform. The idea is to create a seamless integration for the trading and custody of NFTs. The platform will integrate the buying and selling of NFTs with users' Kraken accounts, which allows traders to execute transactions with cash or crypto. [[The Block](#)]

Li Ning Reveals BAYC#4102 Apparel

Mainland Chinese sportswear giant Li Ning merges traditional brands with the web3 space by launching apparels featuring BAYC #4102, which includes various t-shirts and caps. [[Weibo](#)]

Regulatory Updates

Regulatory Updates

- Australian authorities laid out guidelines and roadmaps for crypto industry regulation, which prepared the public with a comprehensive set of crypto regulation by 2025.
- The US SEC is planning to expand its enforcement staff for anti-crypto scams, joining the team which will police securities law violations in fields like coin offerings, lending, NFTs and DeFi.
- ECB board member urged tougher and coordinated global regulation for crypto and called crypto finance “Wild West”.
- The HKMA issued a discussion paper on the key issues around a retail central bank digital currency (CBDC) and its potential to issuing an HKD CBDC and invited industry stakeholders to submit views.
- Crypto exchange Kraken received a Financial Services Permission (FSP) license from the Abu Dhabi Global Market (ADGM).
- The National Bank of Ukraine has banned the purchase of cryptocurrency using the Ukrainian hryvnia for fear of capital flight.
- Binance limits services to Russians following latest EU sanctions after it blocked several accounts tied to Kremlin officials previously.
- The Central African Republic passed a bill to regulate crypto use, the second country after El Salvador to adopt bitcoin as legal tender.
- The Panamanian Legislative Assembly’s economic affairs committee approved a bill regulating the use of cryptocurrencies in the Central American country.
- Brazilian Senate approved a bill to regulate crypto services, which highlighted the same KYC responsibility for crypto services as traditional financial services provider.
- Cuba central bank announced to issue virtual asset licenses to industry players.
- A class-action lawsuit was lodged against Uniswap. Plaintiff alleged Uniswap sold unregistered securities as it allowed users to freely list and trade tokens, and Uniswap failed to register as a broker-dealer under FINRA.

Regulatory Updates (continued)

- New York State Assembly passed a bill that would block the opening of new crypto mining projects that use non-renewable power for two years, and it may require existing facilities to submit environmental impact statements.
- The British overseas territory of Gibraltar introduced a new regulatory package for distributed ledger technology (DLT) service providers. The document elaborates on the responsibilities of crypto businesses in regards to threats of market manipulation and insider trading.
- The UK Financial Conduct Authority has appointed an interim head for its digital assets unit as the UK ramps up its efforts to regulate the crypto industry and establish its credentials as a global crypto hub.
- US Lawmakers reintroduced the bill to give Commodity Futures Trading Commission direct crypto spot market oversight.
- Fidelity said it would allow clients to allocate as much as 20% of their 401(k) retirement savings to bitcoin as long as employers permitted it. The US Labor Department will discuss concerns with Fidelity Investments over its decision to allow retirement savers to include bitcoin in their portfolios.
- India named the country's Computer Emergency Response Team (CERT) as the national agency for cyber security, including the crypto industry, in a move that clarifies which agency has the authority over suspicious or illicit activities in the sector. The move requires crypto businesses, such as virtual asset service providers, to keep know-your-customer (KYC) information and records of financial transactions for five years “to ensure cyber security in the area of payments and financial markets for citizens while protecting their data, fundamental rights and economic freedom in view of the growth of virtual assets.”
- In response to a letter sent to U.S. Environmental Protection Agency (EPA) by 20+ Congress representatives, which expressed serious concerns over negative environmental impact from bitcoin mining, a group of bitcoin investors including Michael Saylor and Jack Dorsey sent another letter explaining some misconceptions about bitcoin mining impact.

Is Singapore losing ground to its Middle East competitors?

- **Regulations:** In the runup to global crypto hubs, Singapore released its Payment Services Act in 2019 and UAE (especially Dubai and Abu Dhabi) released a series of regulation since 2018 on crypto assets. The UK and US are ramping up its efforts in clear regulations. South Korea stepped up its clampdown on crypto exchanges starting 2021.
- **Licenses and Headquarters:** Three Arrows Capital newly announced to move its headquarters from Singapore to Dubai; Bybit, prominent crypto derivative exchange, moved its headquarters from Singapore to Dubai in early April this year. Kraken recently received first virtual asset license from Abu Dhabi and is set to operate a regional headquarter in UAE. Binance and FTX received licenses from Dubai's Virtual Assets Regulatory Authority and may set up headquarters/regional headquarters there.
- Middle East players such as Dubai and Abu Dhabi are aggressively morphing into global crypto hubs. Singapore was seen as a promising global hub previously, but with its slow approval progress (4 approval with 176 applications) and ban on crypto advertising earlier this year, the industry was seemingly dismayed.
- Apart from regulation, friendly expat policies and zero tax rate further enhanced UAE's competitiveness. As the UK and US are due to release clear regulation, Singapore may further trail behind.



Notable Tweets

#Otherdeeds Gas Burn



Will Papper
@WillPapper

Nearly \$100M has been spent on gas for the BAYC land sale in one hour. This is money that could have gone to Yuga or stayed in user's pockets.

The contract had nearly zero gas optimizations. I'll explain a few gas optimization tricks that could have saved many millions below 🙋

es Last 3hrs

5,256,553.84 (34,365.57 Eth)

10:33 AM · May 1, 2022 · Typefully

2,602 Retweets 729 Quote Tweets 8,530 Likes



zeekay #town
@TuringCrypto



#Parody on Solana downtime



Solana INC
@Solana_INC

Please do not contact us outside of business hours, thank you.

12:01 PM · May 2, 2022 · Twitter for iPhone

662 Retweets 260 Quote Tweets 7,235 Likes

#Rainbow Bridge defeated attackers.



Alex Shevchenko
@AlexAuroraDev

📖 on the Rainbow Bridge attack today. TL;DR: attack was stopped automatically, no bridged funds lost, attacker lost some money, bridge architecture was designed to resist such attacks, additional measures to be taken to ensure the cost of an attack attempt is increased

1:01 AM · May 2, 2022 · Twitter Web App

423 Retweets 172 Quote Tweets 1,916 Likes

#Juno Blockchain Community Feuds



#Backlash from Crypto.com Visa Cards rewards reduction



#Devconnect



Etherisc @etherisc · 17h

We had an amazing week at @Devconnect Amsterdam!

Be sure to check out our brand new blog recapping #D1Conf, the leading decentralized insurance event co-hosted by #Etherisc and @NexusMutual.



blog.etherisc.com

D1Conf 2022 Recap

The possibilities and challenges of decer



3



NEAR Protocol @NEARProtocol · Apr 30

ICYMI: NEAR @ #Devconnect was a day of in-depth #NEAR sessions from ecosystem builders @auroraisnear, @fluxprotocol, @thenearpay, @roketostream, and @zaisanglobal.

Read the highlights or watch the full talks



medium.com

Highlights from NEAR at DevConnect Amsterdam

On April 21st, Web3 developers, venture capitalists, and other blockchain professionals descended on Amsterdam for Devconnect. ...

47

200

2,646



#Dubai to set up MetaHQ in Sandbox



MrCryptoDomain.crypto @MrCryptodomain · 6h

#Dubai's Virtual Assets Regulatory Authority to establish #metaverse HQ in world first

#virtualasset #VirtualReality #digitalasset #vara #Sandbox #Crypto #cryptotrading #CryptocurrencyNews #محمد_بن_راشد #فزاغ #VASPs #MetaverseNFT #metaHQ #UAE #blockchain



arabianbusiness.com

Dubai's Virtual Assets Regulatory Authority to establish metaverse H...
VARA will be the world's first regulator to establish a presence in the metaverse, and will enter the virtual world The Sandbox Dubai's Virtua...

2

2

3



#Algorand FIFA sponsorship



Algorand ✓ @Algorand · May 3

BREAKING: @FIFAcom has announced #Algorand will become the official blockchain of FIFA, empowering the global football community with cutting-edge, sustainable technology. Read more 📄 fifa.com/about-fifa/pre... @FIFAWorldCup #FIFAWorldCup



FIFA.com and Silvio Micali

454 2,894 6,848

#CZ on token sustainability



CZ ♦ **Binance** ✓ @cz_binance · 21h

Incentives like play-to-earn, staking, airdrops, etc are great at attracting new users. But if the project don't have a "revenue" model that is greater than the "incentives", the coin price will eventually crash due to over supply.

The key is: build products people use.

59 2,439 9,406

#Cobie on Otherside



Loopify 🧙 @Loopifyyy · May 1

Gm,

Looks like the Otherside release was a massive gas war 🤔. But it also looks like they are looking to create their own chain **.

43 8 218



Loopify 🧙 @Loopifyyy · May 1

Side note: @cobie should join the board or they should pay for consultation.

9 2 94



Cobie ✓ @cobie · May 1

the amount i would charge them would be the equivalent of ripping out their eyes and eating them, no way it would be worth it for them

6 1 78

#Edward Snowden behind ZCASH

 **CoinMarketCap**  @CoinMarketCap · Apr 29
The mask is off! 🕶️
#Zcash: Edward Snowden unmasked as 'John Dobbertin' — One of Privacy Coin's Co-Founders!




coinmarketcap.com

Zcash: Edward Snowden Unmasked as 'John Dobbertin' — One of Priv...
Snowden is best known for his time as a whistleblower at the National Security Agency, where he released thousands of documents that ...

💬 103 ↻ 73 ❤️ 294 ↗

#4Pool goes live

 **Crypto Truffle Pig** @Cryptotrufflepig · May 3
The 4Pool Vote for Terra is **live** on mainnet! 🚀🐷
\$luna \$ust \$cvx \$scr

 **Curve**

← Back

Vote info

Ownership (51% / 30%)
Vote #213

Description:

Gauge Controller: Add gauge
0x3488...409181 of
gauge_type:0 with
weight:0

Description text:

Add a gauge for the following pool: 4pool (USDC/USD/UST/FRAX)
on mainnet

Proposed by: 0x0000...53852c

Votes:

Yes: 0%	
No: 0%	

Total votes: 0

Vote distribution at snapshot chart

[Show voters](#)

You didn't have enough veCRV balance(0.00 required) when
vote was created on block snapshot 14700619 at 02/05/2022
21:19:33

Lock CRV to be able to vote on next proposals in locker
page

Status

/ Open

⌚ 06D:15H:27M:00S

🕒 02/05/2022 21:19:33

🕒 09/05/2022 21:19:33

Support

0% (> 51% required)

Quorum

0% (> 30% required)

💬 8 ↻ 54 ❤️ 261 ↗

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