SOLANA (SOL)

RESEARCH
REPORT

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INTRODUCTION

Overview

Solana is a highly scalable Layer1 blockchain that utilizes the Proof-of-History consensus mechanism. This innovative approach ensures verifiable transaction ordering and parallel processing, enabling the network to handle a high throughput of transactions.

Key metrics data were recorded on 1 Aug'2023.

SOL Key Metrics

- **Price:** $23.58
- **MarketCap:** $9.53B
- **FDV:** $13.05B
- **ATH:** $259.6
- **Down from ATH:** -90.9%
- **Total Supply:** 553.8M
- **Circulating Supply:** 404.5M (73.03%)

Network Insights

- **Performance:** +4000 TPS
- **Validators:** 1912
- **Nodes:** 2919
- **Total Stakers:** 326549
- **Avg Tx Fees:** $0.000023
- **Total Staking Ratio:** 84.7%
- **Locked Staking Ratio:** 13%
- **Almaeda Locked Stake:** 9.3%

💡 **Solana is the fastest L1 Blockchain in the world.**

TOKENOMICS

Token Utility

SOL is the native coin of the Solana blockchain, primarily used to pay transaction fees, collect rewards through staking, and participate in governance.

Demand Drivers

Solana provides high performance and ultra low cost transactions for usecases like payments, gaming, and social media. Web2 startups moving to Web3 would like to choose high-performance blockchains like Solana.

Value Capture

Solana captures value for stakers and validators by providing them incentives at a higher rate than the annual inflation rate. The SOL staking APY is 7.7% right now.

Supply Distribution & Inflation

Over 73% of the SOL supply is in circulation out of a 553M supply. The current supply inflation is at 6%, decreasing by 15% every year. The final inflation target for SOL is 1.5%.

💡 **SOLANA Burns 50% of all transactions Fees.**

ONCHAIN INSIGHTS

Metrics	30D Change %	90D Change %
Circulating Supply	0.35	0.96
Network Revenue	37.3	-4.2
SOL Trading Volume	56.1	-29.6
Daily Active Users	-5.7	-72.5
DeFI TVL	16.99	13.78
NFT Sales Volume	-49.32	-61.46
Staked Tokens	-2.57	-2.24

Key Findings

- DeFi activities are on the rise again on Solana in the past 3 months.
- Network revenue of Solana is increasing, indicating more demand for blockspace.
- NFT sales volume is significantly down in the past 3 months.

💡 **Airdrop Hunters are Driving the recent Growth of DeFI on Solana.**

ECOSYSTEM

DeFI Ecosystem

Overview

- **Total Locked Value:** $305.37M
- **Top Category:** Liquid Staking
- **Top Protocols:** Marinade Finance, Lido, Solend
- **TVL Change% in Past 30 Days:** +16.99%
- **TVL Change% in Past 90 Days:** +13.78%
- **Market Share:** 0.58%

Key Findings

- Liquid staking protocols on Solana witnessed an average 50% Growth on TVL in past 30 days, Jito recorded 119% growth in TVL in past 30 Days.

- Newly Launched Money market protocol MarginFi witnessed 500% growth in TVL in past 30 Days. The key reason for this growth is ongoing speculation around possible airdrop from MarginFi.

Key metrics data were recorded on 1 Aug'2023.

💡 **Solana Provides the best user experience for DeFi.**

ECOSYSTEM

NFT Ecosystem

Overview

- **Sales Volume(30D):** $35.9M
- **Top Marketplaces:** Magic Eden, Tensor
- **Popular Collection(30D):** SMB Gen3, MadLads
- **Market Share:** +7%

Month	Sales (USD)	Unique Sellers	Unique Buyers
August, 2023	$1,013,632.12	4,204	3,625
July, 2023	$37,613,302.90	79,402	64,590
June, 2023	$73,034,503.61	131,493	79,528
May, 2023	$51,992,447.14	61,549	59,368
April, 2023	$96,821,640.28	78,591	82,524
March, 2023	$105,173,356.56	88,143	89,168

Key Findings

- Madlads emerged as the top PFP NFT collection on Solana, It maintained it floor price quite well in recent times.
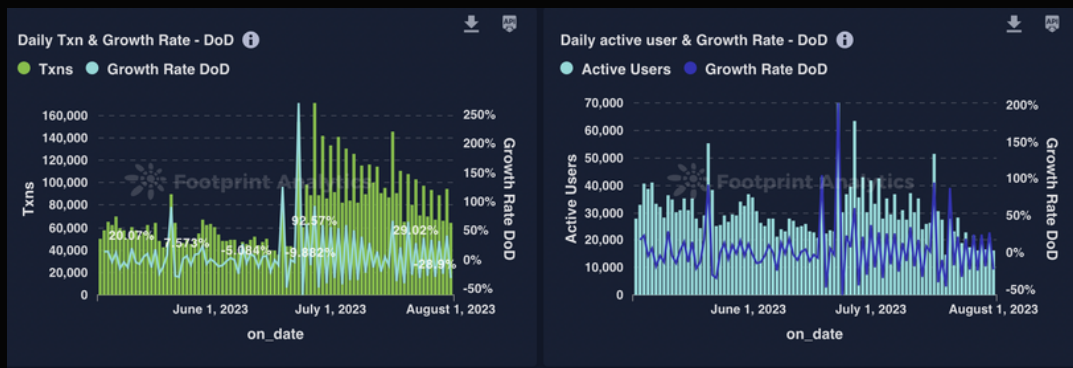
Solana NFT Mints are still profitable.

ECOSYSTEM

Gaming Ecosystem

Overview

- **Active Games:** 11
- **Daily Active Gamers:** 16.06K
- **Top Games:** Walken, Genopets
- **Market Share:** +7%

Key Findings

- Solana is building a Gaming SDK that will establish a framework to enable digital collectibles creation, transaction signing, and wallet management

- Some notable games like Star Atlas, ev.io, BR1: Infinite, Aurory, and Legends of Elumia can gain further traction after the Gaming SDK Release.

💡 **Star Atlas is an AAA Game built on Solana.**

ECOSYSTEM

DePIN Ecosystem

Overview

- Solana became the attractive home of Top DePIN Networks due to its design advantages.
- HiveMapper, Render, and Helium are Top 3 DePIN Networks on Solana Blockchain.
- HiveMapper have collected 3M miles unique Road data in less than 3 years.

Helium migrated from ethereum to Solana.

MILESTONES

- The ecosystem project Coral launched XNFTs and the Backpack wallet.
- The Solana Foundation introduced convertible grants to support projects in the Solana ecosystem.
- Solana foundation launched a $10M fund for grants to new and exciting decentralized AI projects.
- Solana organized Grizzylthon, the largest Solana hackathon ever, with Slide labs, defiOS, Underdog protocol, Sporting labs, and Tap as some of the winners across different categories.

💡 **Grizzylthon saw participation from over 813 projects.**

FUTURE ROADMAP

- Jump Crypto is building a Solana client named Firedancer, which can scale TPS up to 1M.
- Solana will implement a new token standard, Token-22, which will enable capabilities such as transfer fees, privacy protection, and enforced royalties.
- NEON EVM is building a Solana compatible EVM to execute Ethereum smart contracts on the Solana blockchain.
- Solana has recently launched the ChatGPT Plugin for Blockchain Data, and they will explore more AI applications in the near future.

💡 **Firedancer can push the web3 adoption forward.**

TOP TOKENS

Render Network (RNDR)

- Market Cap: $651M
- Growth Driver: Growing Demand of GPU based Rendering Resources in Metaverse based usecases.

Helium(HNT)

- Market Cap: $272M
- Growth Driver: Helium has built a large infrastructure of wireless network powered by people.

HXRO(HXRO)

- Market Cap: $112M
- Growth Driver: Growing demand of liquidity by onchain derivatives would be catered by HXRO.

Star Atlas (ATLAS)

- Market Cap: $24.2M
- Growth Driver: ATLAS is a value exchange token in the most promising AAA Quality web3 game.

💡 **Always DYOR Before Investing.**

Date of Report: 1 Aug 2023

Contact Information

For further inquiries or to access our full research report, please reach out to: hitesh@itsblockchain.com

Note: The information in this report is subject to change as the crypto market and Solana's ecosystem continue to evolve. We encourage readers to stay updated with the latest developments and market trends.

Thank you for your interest in our research!
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