



Ethereum

Basic Information

Token type	Cryptocurrency
Price	\$2,396
GCCS Classifcation	Smart Contract Platform, Infrastructure, Native Currency
Sector	Smart Contract Platform

Source: CoinGecko, Data as of November 4, 2024

Key Metrics

Price Range (1Y)	\$1,855 - \$2,396
All-Time High	\$4,878.26
All-Time High Date	10 November 2021
Down From All-Time High	50.88%
Market Capitalization	\$296.08B
Trading Volume (24H)	\$14.54B
Circulating Supply	120.4 ETH
Total Value Locked (TVL)	\$47.76B
Annualized Staking Yield	3.13%
Annualized Protocol Revenu	ie \$1.53B

Source: CoinGecko, DeFiLlama, Artemis Data as of November 4, 2024

Overview

Ethereum is the second-largest cryptoasset by market capitalization serving as the backbone of Web3. Launched in 2014 by Vitalik Buterin, Ethereum introduced programmability to blockchain technology, enabling smart contracts to power decentralized applications. Its ecosystem is generating over \$1B in annualized protocol revenue.

To tackle scalability challenges, Ethereum has increasingly offloaded activity to Layer 2 (L2) networks like Optimism, Arbitrum, and BASE. The March 2024 Dencun Upgrade, featuring EIP-4844 ("Proto-Danksharding") and its "BLOB space" innovation, drastically reduced L2 fees, making transactions faster and cheaper. However, this shift has left the mainchain underutilized and revenue constrained. Key developments are set to revitalize mainnet activity and unify Ethereum's ecosystem:

- Use-Case-Specific L2s: Networks like Unichain for DeFi are addressing the disjointed nature of Ethereum's over 100 general-purpose L2s, setting a trend for more tailored solutions.
- TradFi Integration: More L2s launched by traditional companies, following Kraken's Ink and Coinbase's BASE (which gained over 1 million users in just a few months), will drive on-chain activity and increase revenue flow back to Ethereum's mainnet.
- Other Technical Developments: The "ETH Superchain" would fully unify Ethereum's fragmented L2 ecosystem, by creating a unified framework.

Furthermore, interest in Ethereum remains strong, with **\$680M** in ETF inflows post-election and **\$1.5B** in tokenized assets, including government securities. Major players like Franklin Templeton, BlackRock, and UBS rely on Ethereum for its robust security, solidifying its role in the growing realm of tokenization.

- July 2015: Genesis Block mined, Ethereum's launch.
- August 2021: EIP-1559 ("London Upgrade") implemented, introducing a fee-burning mechanism that made Ether deflationary.
- **September 2022:** Transition to Proof-of-Stake (PoS) via "The Merge," reducing energy consumption by ~99.95%.
- March 2024: Dencun Upgrade activated EIP-4844, cutting L2 fees by 90% and improving scalability.
- July 2024: Launch of the spot Ethereum ETFs in the U.S.

Key Takeaways

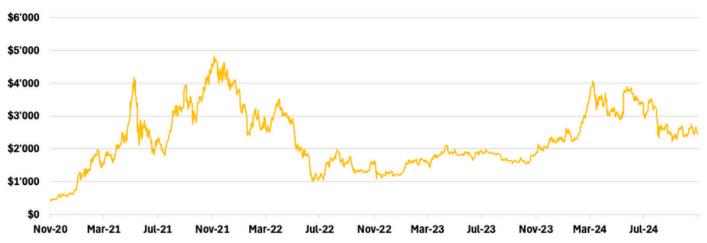
- Largest cryptoasset by Total Value Locked (TVL), with around \$50B,, reflecting its dominant position in the on-chain ecosystem
- With over 8,000 active developers, Ethereum boasts the largest developer community, driving innovation as it navigates challenges to its business model.
- ETF inflows post-election and leadership in tokenization, highlight strong
 TradFi interest in Ethereum.

Risk Factors

- Declining mainnet fees due to Layer 2 offloading strain Ethereum's economic model.
- A disjointed Layer 2 ecosystem of over 100 networks needs integration to drive cohesive growth.
- Competitors like Solana have diverted significant value, draining **\$2.75B** from Ethereum's network this year.



Price Performance



Source: CoinGecko. Data from November 5, 2020 - November 4, 2024

Total Value Locked



Source: Artemis. Data from November 5, 2020 - November 4, 2024

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