



Investment Thesis

Chainlink LINK

Token type	Utility Token
Price	\$17.92
GCCS Classification	Oracles, IT Services, Utility Token
Sector	IT Services

Key Figures

52-Week Range	\$5.12 - \$21.64
Market Rank	#18
Market Capitalization	\$10.53B
Volume (24h)	\$26.30M
Circulating Supply	587,099,971
Max Supply	1,000,000,000
Annualized Protocol Revenue	\$1.55M
ATH	\$51.85
ATH Date	May 10, 2021
Down from ATH	-65.3%

Source: CoinGecko, Token Terminal, DeFiLlama, 21.co on Dune Analytics. Data as of April 8, 2024

Overview

Chainlink is a decentralized oracle network designed for onboarding realworld data (asset prices, IoT data, weather Forecasts) from any external system onto blockchains in the form of data and price feeds. Chainlink enhanced the capabilities of what Decentralized Oracle Networks (DONs) offer by including an expansive set of oracle-based services such as Proof-of- Reserve (**POR**), Verifiable Random Function (**V.R.F**), Fair Sequencing Service (**F.S.S**), Keepers, and Cross Chain Interoperability Protocol (**CCIP**) - which paves the way for hybrid smart contracts operating on multiple chains.

- Mainnet launch in 2019
- Founded by Sergey Nazarov, with Eric Schmidt serving as a technical advisor and Ari Juels as Chainlink labs chief scientist
- Deployed on 22 networks, with over **11 billion** data points on-chain
- In 2023, Chainlink enabled **\$9.3+ trillion in transactions**. Now more than **2,000 projects are in the Chainlink Ecosystem**, including 85+ members of Chainlink **SCALE** and Chainlink **BUILD**.

Key takeaways

- **DONs** enable smart contracts to connect with any real-world system/ service, cementing them as the backbone of DeFi via price and data feeds.
- Enables independent verification of off-chain collateral through mechanisms like **POR**, as exemplified by the ARK 21Shares Bitcoin ETF (ARKB).
- Unlocks the utilization of private data in smart-contracts through **DECO**.
- Provides guaranteed on-chain randomness through **VRF**, suitable for NFT gaming and fair distribution of rewards.
- Facilitates smart-contract automation via the **Keepers** system, streamlining tasks such as distributing yield payouts or executing on-chain actions like limit orders.
- Enabling a fair order of execution for DeFi via **F.S.S** which helps with **combating unfair practices such as MEV**.
- Advancing cross chain interoperability through **CCIP**.
- **Largest Oracle** by Market Cap and Total Value Secured (**\$22B**)
- **LINK** token (**ERC-20**) is used to pay the network's node operators for accessing their hosted services

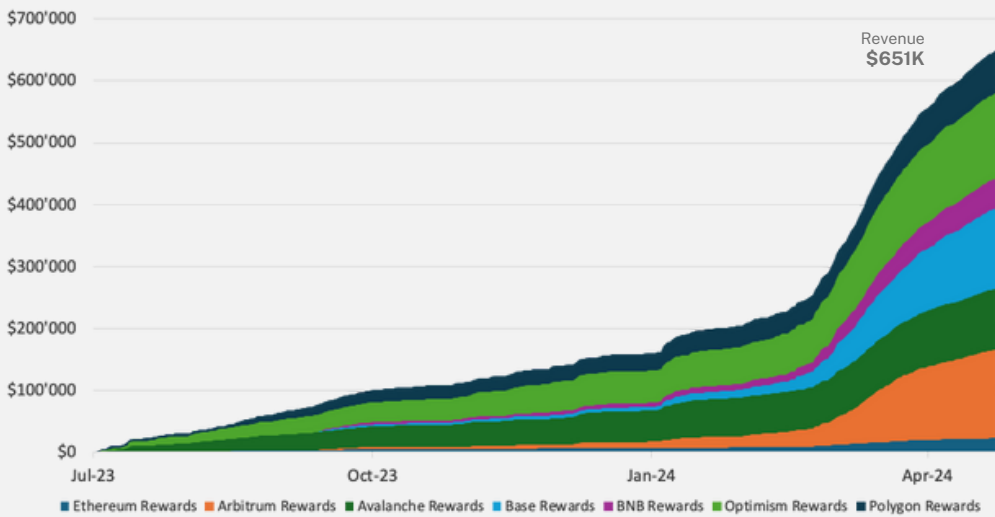
Risk factors

- Implementations like CCIP could expose the network to an unforeseen type of smart-contract bugs.
- Crack down on DeFi will reduce adoption of oracles, being it the most dominant use-case.
- Poor roll-out of staking could compromise the network's security.

Figure 1:
Price Performance



Figure 2:
Chainlink's CCIP Revenue



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