



Investment Thesis

Pyth Network

PYTH

Basic Information

Token type	Governance Token	
Price	\$0.41	
GCCS Classification	Oracles, AI & Data Solutions, Big Data	
Sector	Big Data	

Source: CoinGecko, Data as of November 23, 2024

Key Metrics

Price Range (1Y)	\$0.24 - \$1.1
All-Time High	\$1.10
All-Time High Date	14 March 2024
Down From All-Time High	-65.1%
Market Capitalization	\$1.51B
Volume (24H)	\$153.32M
Circulating Supply	3.624B PYTH
Max Supply	10B PYTH
Total Value Secured (TVS)	\$7.23B
Annualized Staking Yield	5.6%

Source: CoinGecko, DeFiLlama, Artemis
Data as of November 23, 2024

Overview

Pyth is a decentralized oracle network that provides real-time market data to smart-contracts and blockchains. Leveraging the Solana's technological stack, Pyth achieves low-latency, updating its data feeds every 400 milliseconds. This exceptional speed makes it ideal for time-sensitive applications, particularly in the financial sector. The network's strength lies in its diverse data sourcing strategy, drawing from approximately 90 first-party providers. These include a wide array of financial institutions, from market makers and centralized exchanges to established firms like CBOE Global. Pyth also employs a weighted aggregation method to ensure data accuracy and reliability. This approach filters out extreme outliers, assigns greater weight to more dependable sources, and combines multiple data points to create a single, robust price feed for each asset. Furthermore, each price feed is accompanied by confidence intervals, providing users with a clear indication of the data's precision. Finally, Pyth's innovative pull-based operational model allows users to request data on-demand, significantly reducing transaction volumes and lowering costs. **Currently, the network supports an impressive array of over 540 price feeds, encompassing a broad spectrum of financial assets including cryptocurrencies, commodities, ETFs, foreign exchange pairs, and equities**

- **Aug 2021:** Pyth launches on Solana with 25 data providers and 40 price feeds
- **Aug 2022:** Pyth V2, an application-specific chain, launches as a fork of Solana, allowing the network to scale significantly.
- **October 2022:** The oracle expands beyond Solana to integrate with BNB, Ethereum and eventually a plethora of other EVM-chains.
- **Q4 2023:** Permissionless mainnet launches, allowing for token-led governance
- **July 2024:** Pyth launches express relay tool to combat Maximum Extractable Value (MEV) by enabling DeFi protocols to directly engage with 'searchers' who facilitate protocol-controlled auctions for high-value transactions.

Key Takeaways

- Pyth leverages **Solana's technology to provide real-time market data with updates every 400 milliseconds**, making it ideal for time-sensitive financial applications.
- The network draws data from about 90 first-party providers, including a wide range of financial institutions, ensuring a comprehensive data set.
- Pyth uses a weighted aggregation method that filters outliers, prioritizes reliable sources, and combines multiple data points to create accurate price feeds with confidence intervals
- Pyth token is used for governance and staking to enhance network security by incentivizing accurate data provision.

Risk Factors

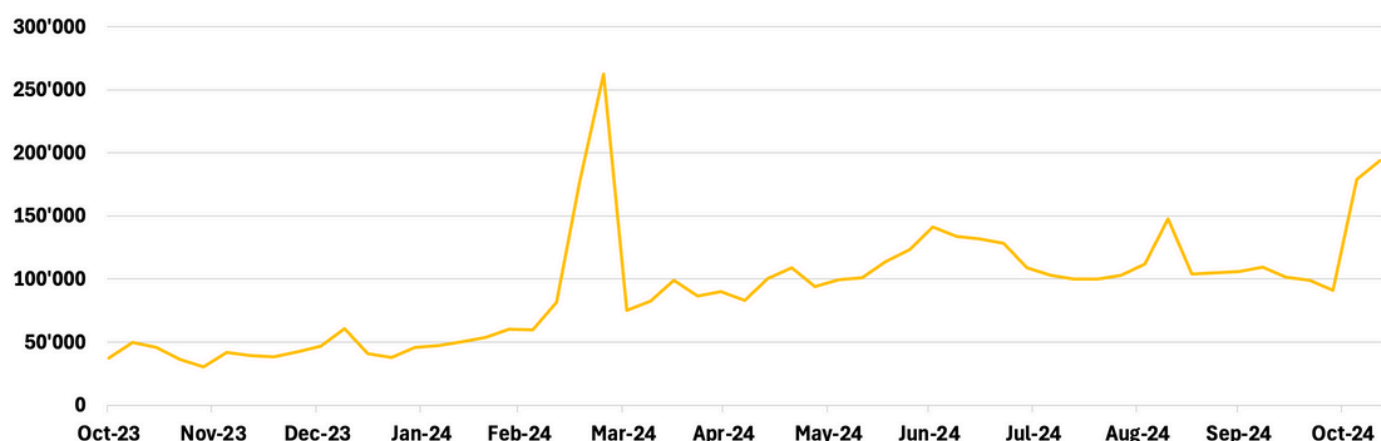
- **Technology risk:** Pyth is reliant on Solana, thus making it susceptible to vulnerabilities unique to the network's technology.
- **Market Risk:** As oracles rely on trust, any damage to its reputation could limit its adoption.
- **Competition Risk:** Pyth faces competition from multiple competitors, especially chainlink who is relatively more decentralized when it comes to node operators and number of data publishers.
- **Regulatory Risk:** Any regulatory scrutiny or restrictions against DeFi could severely hamper Pyth's adoption.

Price Performance



Source: CoinGecko. Data from November 23, 2023 - November 23, 2024

Transaction Count Using Pyth on EVM Networks



Source: Dune. Data from October 30 2023 - November 11, 2024

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