



Investment Thesis

Sui Network

SUI

Token type	Native Currency
Price	\$0.72
GCCS Classification	Smart Contract Platform, Infrastructure, Native Currency
Sector	Smart Contract Platform

Key Figures

13-Week Range	\$0.78 - \$2.02
Market Rank	#50
Market Capitalization	\$1.83B
Volume (24h)	\$133.36M
Circulating Supply	2.51B
Annualized Staking Yield	3.3%
ATH	\$2.17
ATH Date	March 27, 2024
Down from ATH	-66.33%

Source: CoinGecko, DeFi Llama, Token Terminal, Staking Rewards. Data as of July 4, 2024

Overview

SUI is a high-performance, scalable smart contract platform designed to bring web2 user experience to the web3 space. It achieves impressive performance by using a parallel transaction processing system, resulting in high transaction throughput (X) and offering one of the fastest settlement speeds in the space at 380 milliseconds. Additionally, SUI builds on Meta's Move programming language, originally developed for the Diem stablecoin project, to provide a safer environment for smart contracts.

One of SUI's key strengths is leveraging web2 user-friendly UX to simplify onboarding into the crypto space. For instance, SUI enables users to create new wallets using familiar log-in methods like Google Accounts and Face ID through **ZkLogin**. Additionally, SUI streamlined crypto payments by allowing users to initiate transactions via QR codes - eliminating the need to select networks or remember unreadable wallet addresses (**ZkSend**). It also supports gasless interactions by allowing applications to sponsor transaction fees on behalf of users.

On the other hand, SUI is developing a native handheld device running on the Linux operating system, which supports both web3 and traditional games. This design expands the total addressable market for crypto gaming hardware, by appealing to a broader audience, unlike the Solana Saga phone for instance, which focuses solely on the web3 market.

Finally, Mysten Labs, the developer behind the platform, is led by a team of experts. For instance, Evan Cheng, the CEO, led the development of () LLVM at Apple, responsible for significantly optimizing iOS apps performance over the last decade. CPO Adeniyi Abiodun held senior engineering roles at J.P. Morgan, HSBC, and Oracle. CTO Sam Blackshear, creator of the Move programming language, was a Principal Engineer at Meta and led the development of the Diem project. And finally, Chief Scientist George Danezis, a professor at UCL and a fellow at the Alan Turing Institute, pioneered Sui's consensus mechanism.

- Sui was founded in **2021** by **Evan Cheng, Adeniyi Abiodun, Sam Blackshear, George Danezis, and Kostas Chalkias** to continue the work started by Meta
- In **April 2023**, the SUI token was deployed
- In **May 2023**, SUI's mainnet went live.
- In **April 2024**, Sui partnered with TikTok Subsidiary, BytePlus, to integrate AI recommendations and visual algorithms into the network.
- In **May 2024**, the network's new consensus mechanism, Mysticeti, was launched on testnet, cutting down the network's settlement speed to 390 milliseconds.

Key takeaways

- Sui network can be seen as a spin-off of the research led by Meta for their Diem and Novi stablecoin-oriented projects.
- Sui's strength lies in its impressive **transaction throughput and settlement speed**, while its **MOVE** programming language helps facilitate a safer environment for developing smart-contracts by making it harder for buggy code to be executed in a live production-ready environment.
- The network's key selling point is its ability to onboard the seamless web2 experience onto the web3 space by allowing users to create wallets using their familiar login methods (Google, Face-ID), simplify payments and close the gap between traditional and web3 games via their new gaming-focused device.
- **SUI**, the native token of Sui, serves as a **gas currency** for users to interact with the ecosystem, acts as a **governance** token, and can be **staked** to validate Sui's security.

Risk factors

- **Technology risk:** Neither the Move programming language or the network's consensus mechanism are yet to be battle-tested.
- **Market Risk:** Sui has close to 25% of total supply in circulation, thus the linear unlocking schedule over the next few years could introduce selling pressure on existing holders.
- **Competition Risk:** Sui faces competition from other embryonic protocols like Aptos which have undergone rigorous testing. Especially as the latter uses the same version of the MOVE language used in the Diem project.
- **Regulatory Risk:** the legal status of smart-contract platforms tokens isn't clear yet, despite some of the progress seen in the US in 2024 and the arrival of the MICA regulatory framework in Europe at the end of June 2024.

Figure 1
Price Performance



Figure 2
SUI Total Value Locked



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