

COINMETRICS

2025

OUTLOOK REPORT

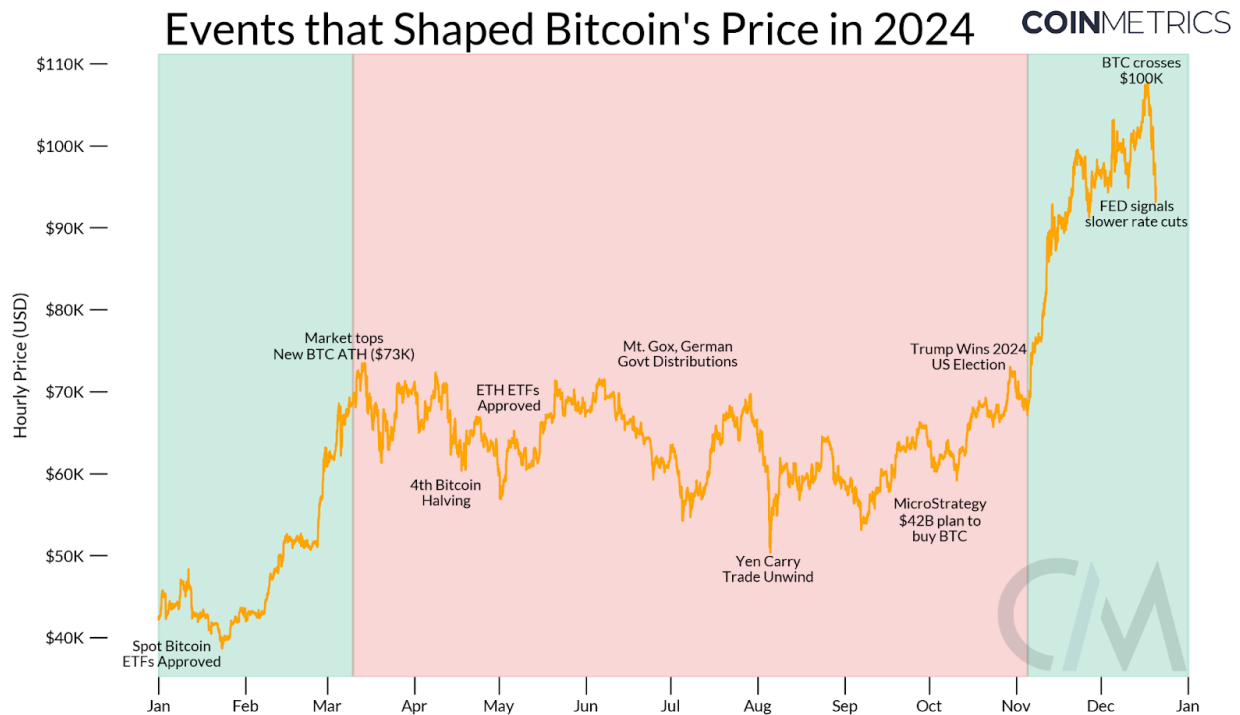
JANUARY 2025



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OVERVIEW 2024: A Transformative Year in Crypto



2024 was a monumental year for the digital assets industry, beginning with the long-anticipated approval of spot Bitcoin ETFs and culminating in the U.S. presidential elections. Their explosive launch brought institutional capital into the market, propelling Bitcoin to new highs and with it, lifted the entire ecosystem.

Stablecoins surged past \$200B, tokenization of Real World Assets (RWAs) gained momentum, and corporate demand for Bitcoin accelerated at an unprecedented pace. Bitcoin underwent its quadrennial halving, Ethereum scaled with blobs, and Solana became a hub for meme coins and DePIN activity. Meanwhile, old narratives faded, making way for emerging themes like prediction markets and the intersection of AI and crypto, signaling breakout potential in applications alongside on-chain financial services and stablecoins.

Not long ago, the crypto industry faced intense SEC scrutiny and a challenging rate-hike cycle clouded by uncertainty. Now, as 2024 comes to a close, optimism has returned. Bitcoin surged past \$100K post-election, supported by a pro-crypto U.S. administration and renewed enthusiasm across the ecosystem. These developments leave the industry on a strong footing as we turn toward 2025, ready to explore the transformative trends and opportunities that lie ahead.

MARKET OUTLOOK

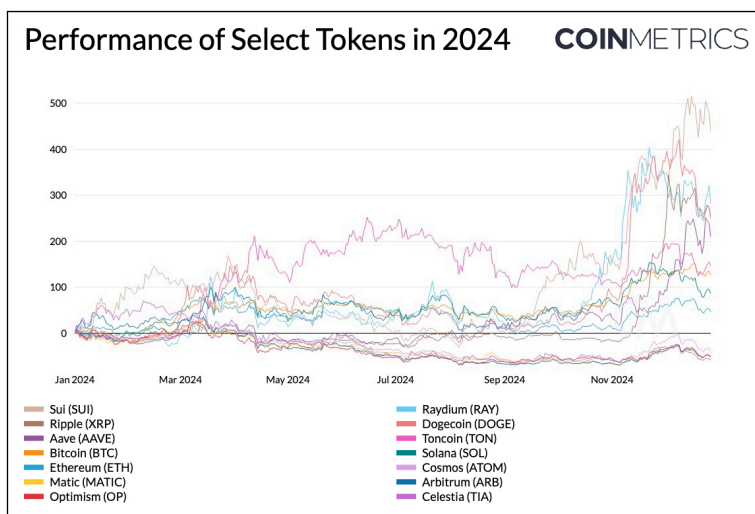
Assets, Themes & Sectors

2025 Outlook: In 2025 we expect selective outperformance spanning new and established categories, such as Layer-1 blockchains, decentralized finance (DeFi) on Ethereum, Solana, and Base, and the evolving intersection of Crypto and AI.

Large-cap blue-chip tokens like Bitcoin (BTC), Solana (SOL), and established meme coins like Dogecoin (DOGE) and Pepe (PEPE) were among the strongest performers in 2024. This outperformance was reflected in the "Specialized Coins" sector, along with segments of the "Smart Contract Platforms" and "Information Technology" [sectors from datonomy™](#), which outpaced other crypto sectors.

Asset performance in 2024 was defined by strength at the extreme ends of the risk spectrum, with notable winners in both incumbent and emerging categories. Following the U.S. presidential election in November, several notable themes and tokens emerged, such as the recent blockchain-based AI agent boom.

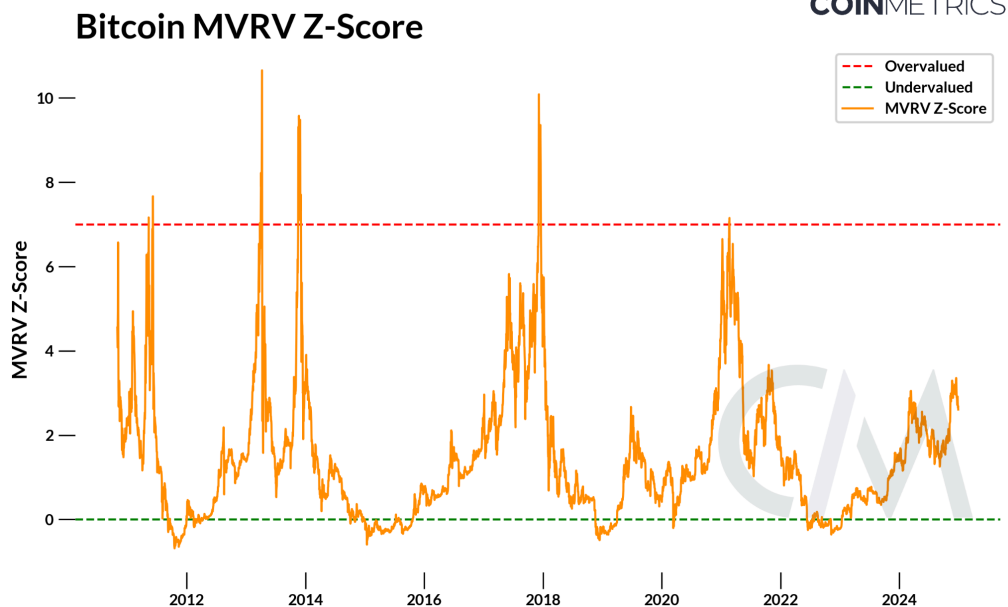
While some assets may have bucked these trends, the investment landscape was largely shaped by the following categories:



Performance	Category	Tokens
Winners	Large Cap Blue Chips	Bitcoin (BTC), Solana (SOL)
Winners	Established Memecoins	Dogecoin (DOGE), Pepe (PEPE), dogwifhat (WIF)
Selective Outperformers	Layer-1s	Sui (SUI), Toncoin (TON), Ripple (XRP)
Selective Outperformers	Ethereum, Solana & Base DeFi	Aave (AAVE), Raydium (RAY), Aerodrome (AERO)
Selective Outperformers	AI x Crypto	Virtuals Protocol (VIRTUAL), Bittensor (TAO)
Underperformers	Modular Infrastructure & Layer 2 Tokens	Arbitrum (ARB), Cosmos (ATOM), Celestia (TIA)

Bitcoin (BTC)

2025 Outlook: Bitcoin (BTC) will test a price range of \$140K–\$170K in 2025, supported by cyclical growth trends and accelerating structural adoption. This projection assumes that BTC's MVRV z-score rises to levels historically observed during market peaks, between 5 and 7, corresponding to a market cap range of approximately \$2.7T–\$3.3T.



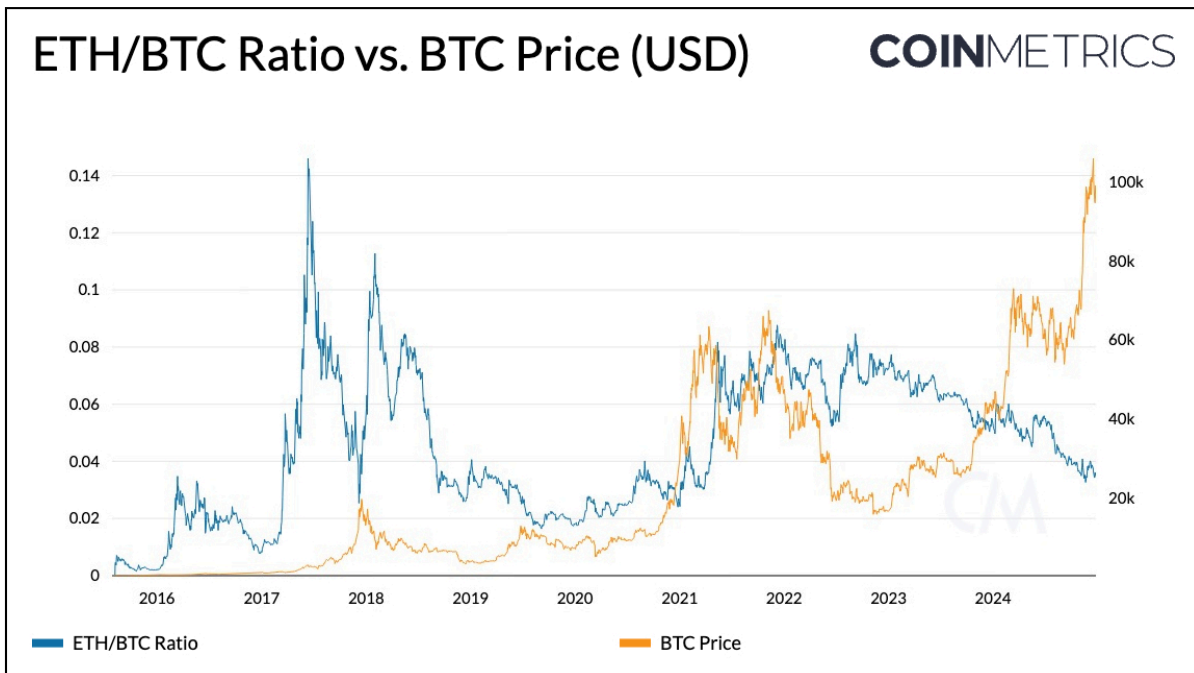
Several structural factors could support BTC's growth in 2025:

- **ETF Inflows:** Spot Bitcoin ETFs, already holding over 1.2M BTC, continue to attract institutional investors and mainstream capital, with AUM set to double.
- **Corporate Treasury Adoption:** Companies like MicroStrategy lead the way in accumulating Bitcoin on their balance sheet, inspiring further corporate interest.
- **Nation-State Adoption:** Bitcoin's growing recognition as a reserve asset could spur demand at the sovereign level.
- **Post-Halving Supply Shock:** With Bitcoin's daily issuance halved in 2024, reduced supply and sustained demand from the factors outlined above could amplify its upward price trajectory.

While certain risks, such as slower-than-expected regulatory action or market de-stabilization from MicroStrategy's leveraged holdings, could pose headwinds, these drivers, combined with a pro-crypto macro environment and a phase of monetary expansion ahead, provide a robust foundation for Bitcoin's growth in 2025.

Ethereum (ETH)

2025 Outlook: We expect Ethereum's underperformance to dissipate as the ETH/BTC ratio reverses to 0.055. We anticipate Ethereum (ETH) to reach a price range of \$7,500–\$10,000, driven by increasing institutional demand, the maturation of the Layer-2 ecosystem, and Ethereum's sustained dominance in stablecoins, RWA tokenization, and DeFi. This reflects Ethereum's historical tendency to recover relative strength during periods of broader market growth, particularly as Bitcoin approaches its cyclical peaks.



The following factors and trends could support Ethereum's price growth in 2025:

- **Institutional Demand:** The acceleration of Ether ETF inflows and the emergence of staking ETFs will unlock new institutional capital inflows, providing a boost to Ethereum's market demand.
- **Blob and Layer-2 (L2) Growth:** Continued progress on Ethereum's rollup-centric roadmap and scaled growth in blob space will drive demand for Ethereum as a data availability layer. L2's will mature and continue to grow in number as companies and institutions build on this infrastructure, driving adoption and fee growth.
- **Dominance in Stablecoins, RWAs, and DeFi:** Ethereum remains the backbone of stablecoin supply (over \$135B in 2024), and high value use-cases like real world asset (RWA) tokenization and DeFi. These sectors are expected to expand further in 2025, sustaining demand for Ethereum as the settlement and execution layer for these applications.

Airdrop Trends

2025 Outlook: While airdrops could continue to disappoint speculators in 2025, new iterations of airdrops and adjusted distribution structures and processes could create more satisfied users rewarded for their participation.

Retroactive token rewards to protocol users, or airdrops, rapidly gained attention in 2024. Users focused on initially earnings points which represented an unknown amount of tokens to be received at a later date. Points could be earned by trading on exchanges, bridging to specific networks, and creating volume and capital inflows for the protocol.

Projects that airdropped tokens to users included EigenLayer, Actively Validated Services such as Omni Network and AltLayer, network scaling solutions Dymension, Scroll, zkSync, and Starknet, NFT ecosystems Magic Eden and Pudgy Penguins, and the 2024's most captivating perpetual DEX, Hyperliquid.

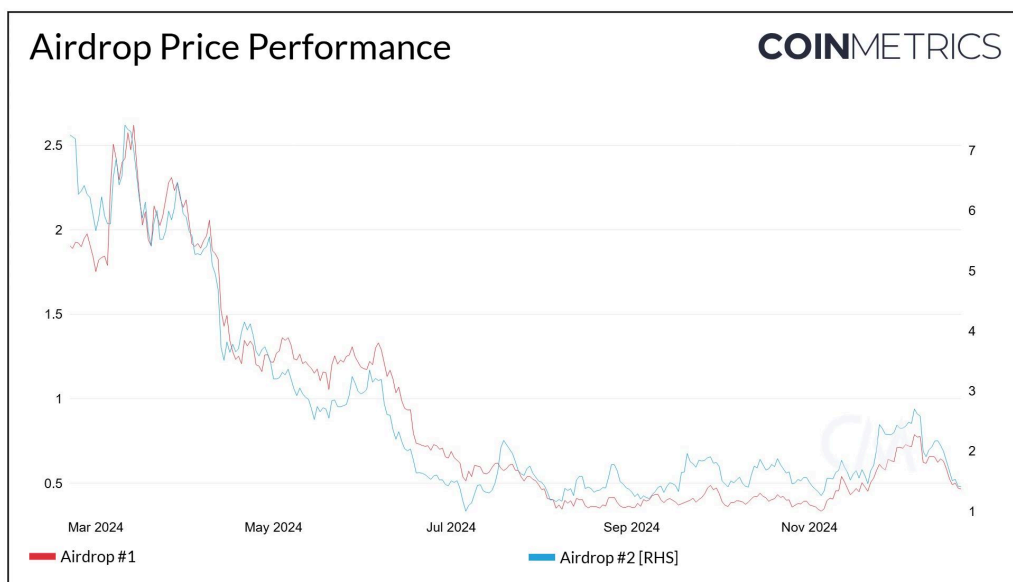
More recently, airdrops have been criticized for the lack of initial circulating supply, with the remaining supply vesting with early investors in questionably short or consistently long periods. Ranging from an average of 5-10% of supply released to the community, tokens have experienced large volatility with selling pressure that comes with the speculation that investors are selling after future unlocks. A majority of airdropped tokens have lost their value shortly after their release.

With the expectations of more friendly crypto regulation, protocols may face less scrutiny

paying token holders a portion of earned revenue from protocol activities. This can drive utility beyond holding tokens to participate in protocol governance.

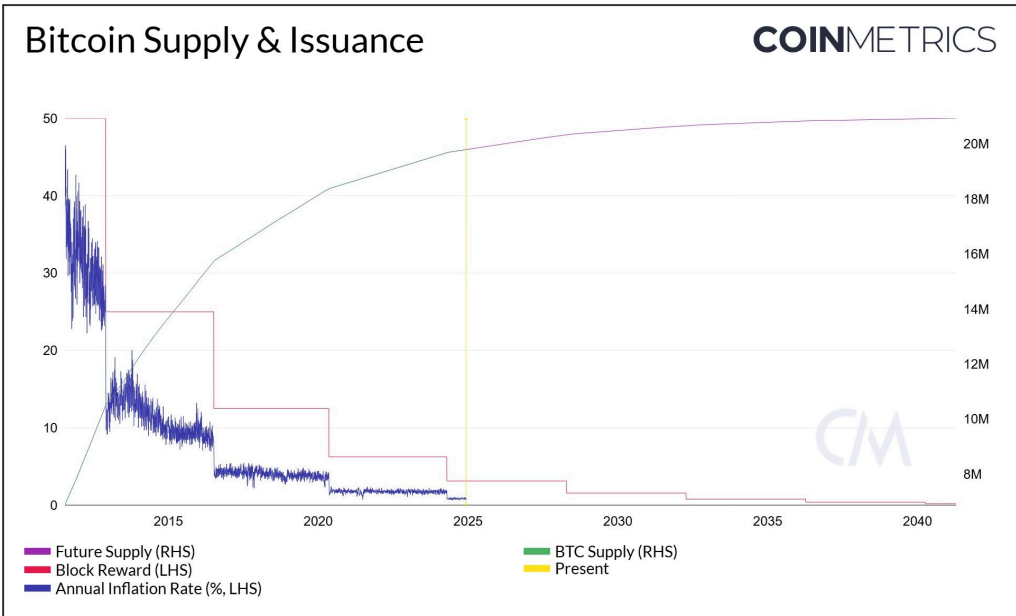
Future airdrops may be more considerate of how a token plays a larger role in protocol operations and how users may interact after there are less speculative expectations of future participation rewards.

While airdrops could continue to disappoint speculators in 2025, new iterations of airdrops and adjusted distribution structures and processes could create more satisfied users rewarded for their participation.

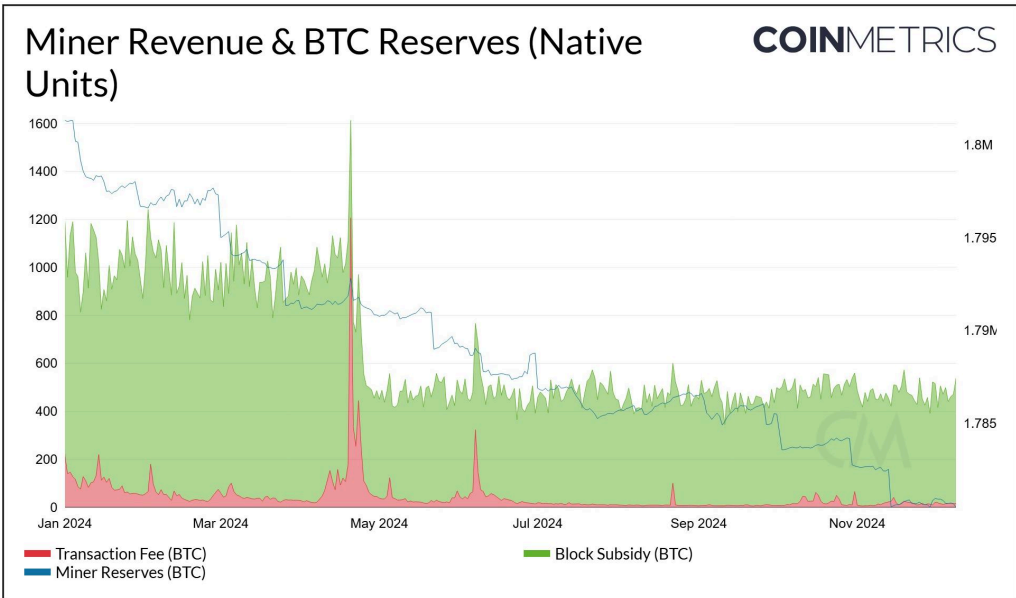


Bitcoin Network

On April 20, 2024, Bitcoin witnessed its fourth halving, cutting the amount of new BTC issued per block from 6.25 BTC to 3.125 BTC. With block rewards halving every four years, mining revenues are increasingly tied to transaction fees as the block subsidy diminishes.

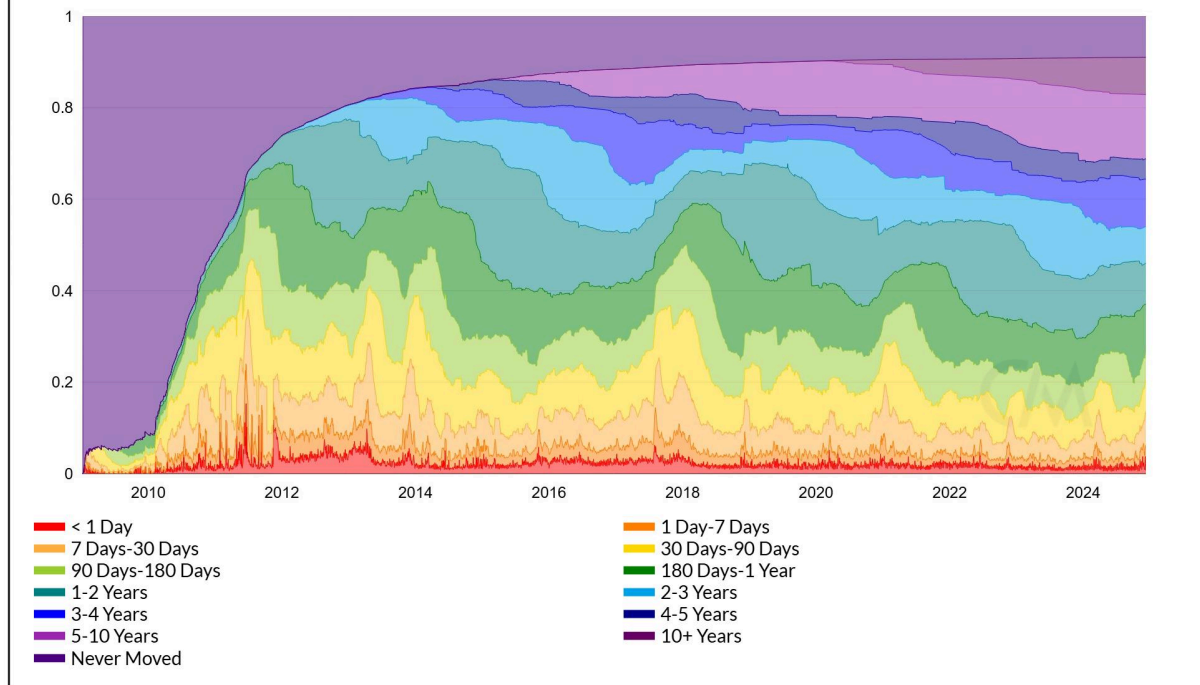


In 2024, Bitcoin experienced several fee spikes driven by Ordinals (NFTs) and the launch of Runes (fungible tokens), however, transaction fees declined from ~20% to ~2% of total revenue by the end of the year. Sustained transaction fees are becoming critical for ensuring Bitcoin's long-term security budget. The ecosystem continues to evolve, with emerging projects in the bitcoin derivatives and bitcoin layer-2's space, suggesting experimentation with diverse use cases that could potentially bolster fee revenue and support network security going forward.



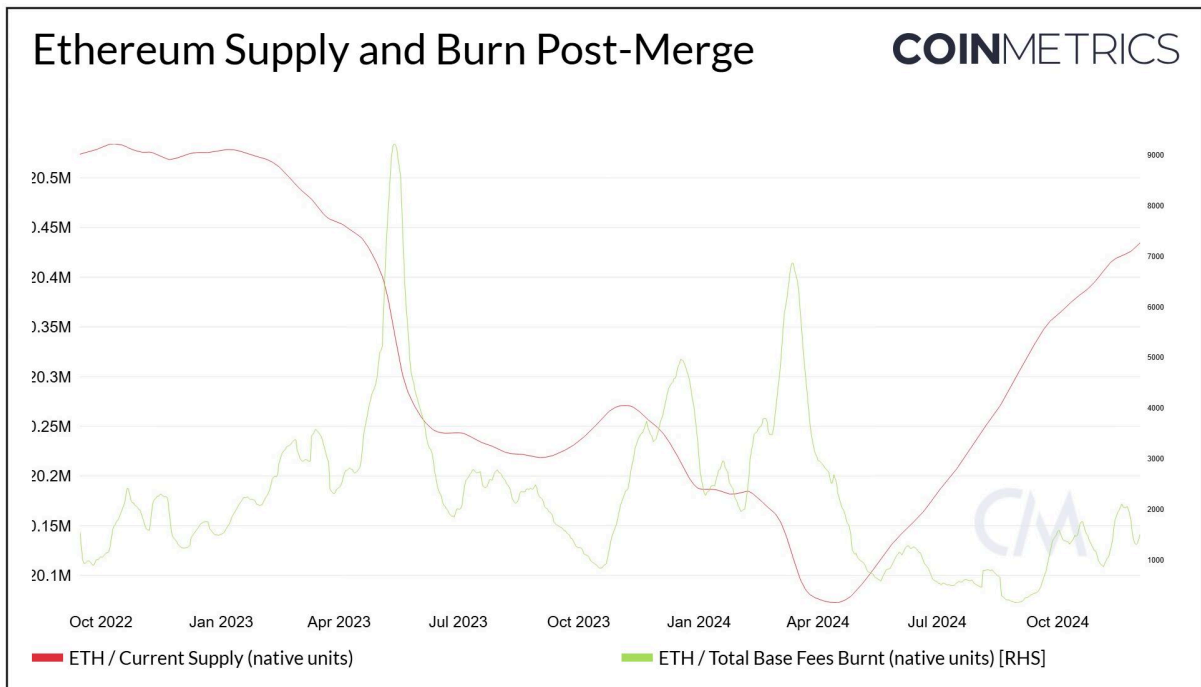
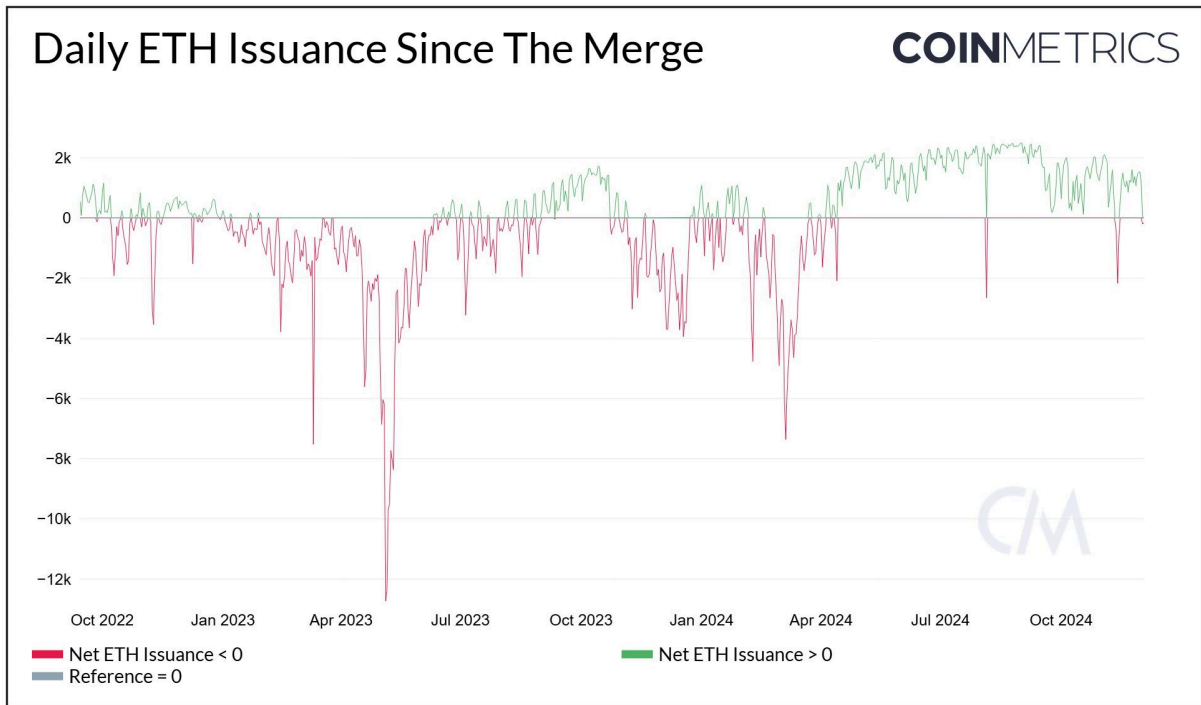
Bitcoin Supply Age Bands

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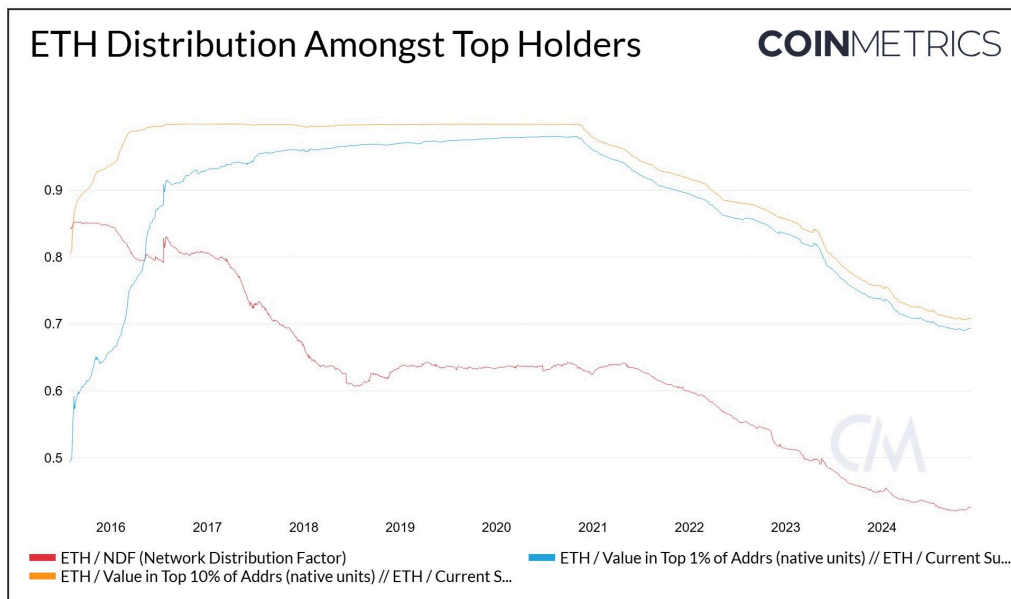


Bitcoin's supply age bands provide insight into the distribution and velocity of BTC based on holding periods. An increasing portion of Bitcoin's supply is being held for longer durations, with the share of BTC held for over 10 years rising from 6.98% to 8.17%. Coupled with the introduction of institutional products like Bitcoin ETFs in the United States, this trend suggests a growing scarcity as long-term holders sell less frequently, reducing available supply in the market.

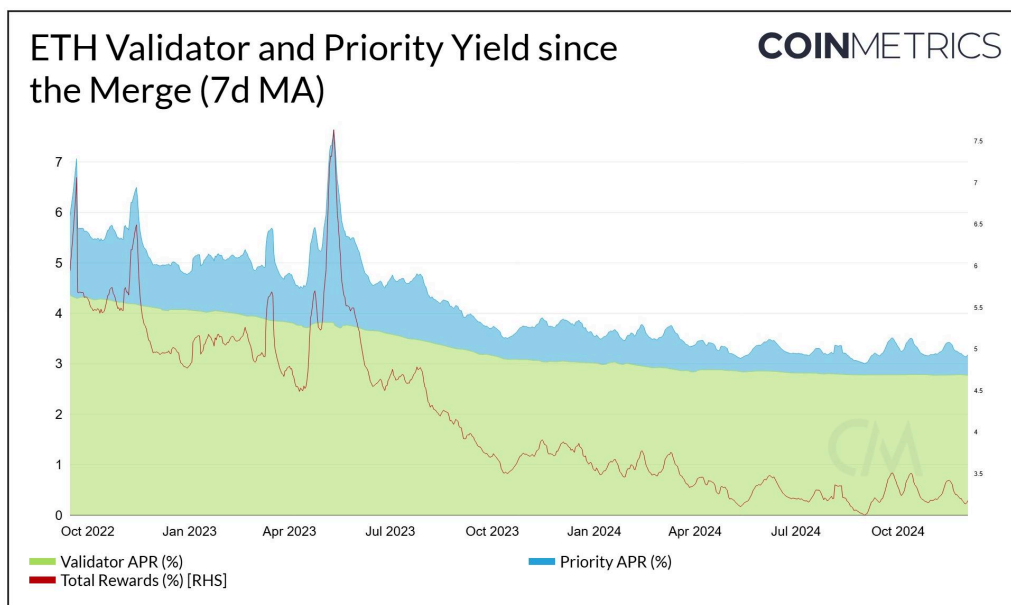
Ethereum Network



After Ethereum successfully reduced its issuance rate following The Merge and its transition to Proof-of-Stake (PoS) in 2022, supply dynamics have shifted over the past year. Gas-efficient upgrades, such as the introduction of dedicated blob space for scaling solutions, have resulted in fewer ETH being burned relative to the new ETH issued. If the burn rate does not increase, Ethereum’s total supply may lose its decreasing scarcity—a factor that has historically contributed to its valuation as an asset.

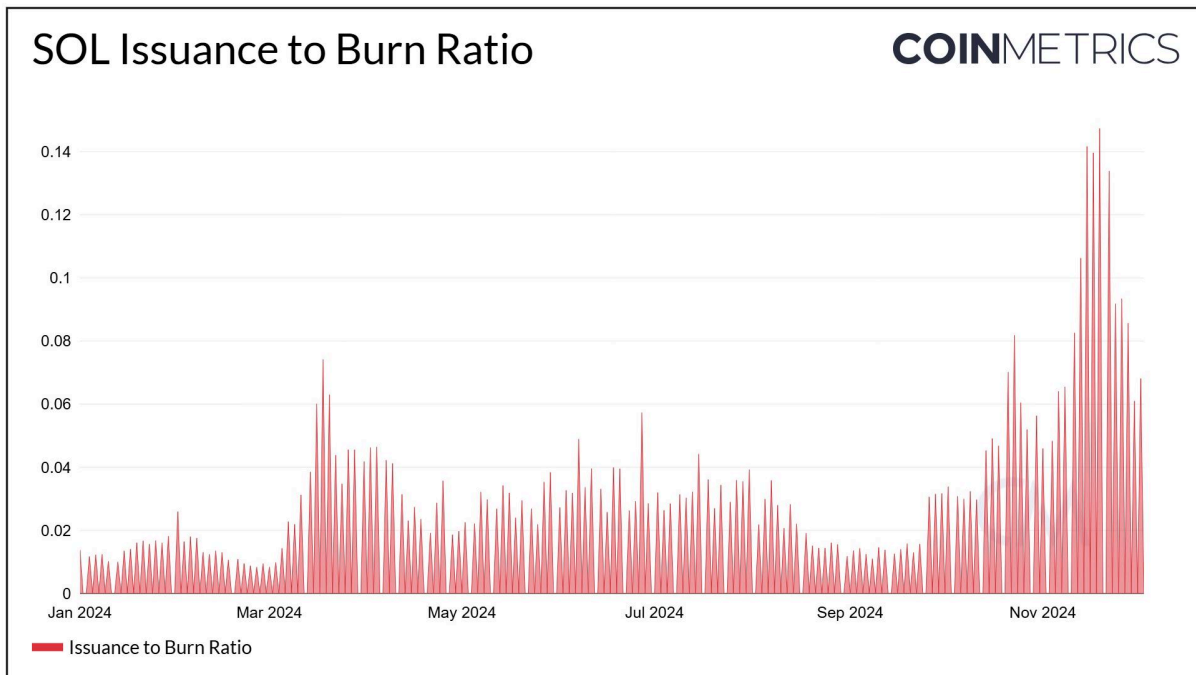


The concentration of ETH held by top accounts continues to decrease. Today, the top 10% of addresses hold less than 70.89% of ETH supply. The Network Distribution Factor (NDF) shows ETH is being owned by an increasing number of smaller investors. This decreases the risk of volatile shifts dependent on few large actors and supports increasing interest in investing in cryptoassets.

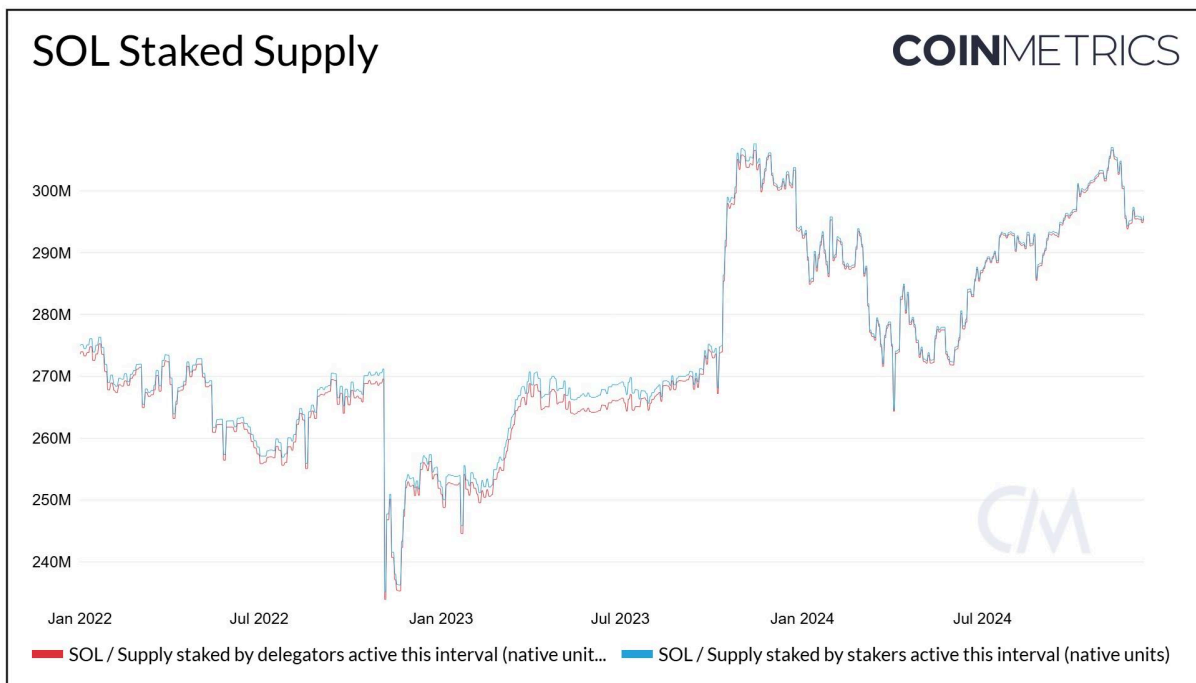


Ethereum staking rewards continued to decrease in 2024 as more ETH was staked with validators. While institutions consider supporting staking products for their investors, Ethereum developers look to adjust staking dynamics in the upcoming Pectra upgrade. Developers have considered adjusting Ethereum’s issuance rate to avoid overpaying for network security and increasing the total ETH that can be staked with one validator to prevent network messaging latency.

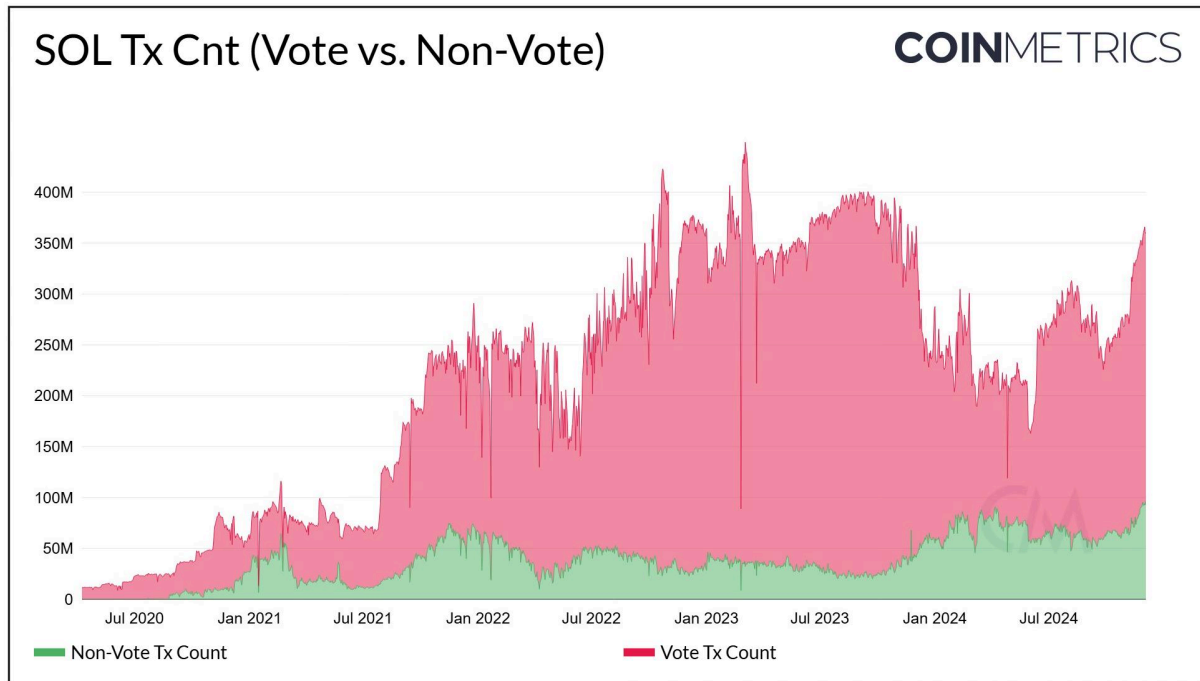
Solana Network



Solana supply continues to increase, as the amount of SOL burned is no match for the amount issued. While not necessarily harmful to the network, token holders who do not stake their SOL are diluted and possess less percent of supply than before.



A majority of SOL is being delegated to validators. With no minimum SOL required to stake, validators can deposit only the necessary SOL to vote on block proposals and delegate Solana to themselves from cold wallets to protect investments.



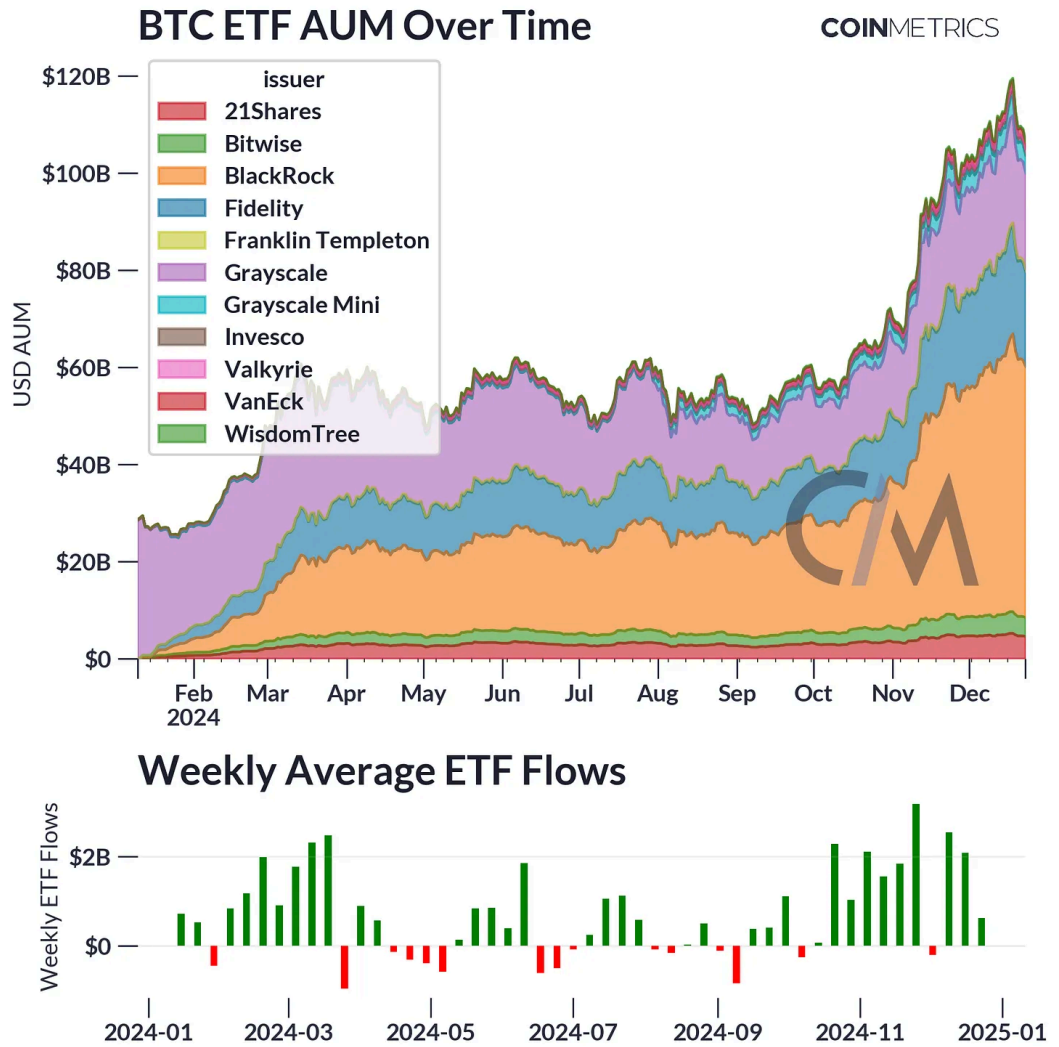
Non-vote transactions have reached a high in 2024 over 100,000 non-vote transactions in one day, showing an increased interest by retail users adopting the blockchain. Both non-vote and vote transactions continue to experience relatively high fail rates due to Solana's inexpensive fees and susceptibility to spam attacks.

INDUSTRY

Exchange Traded Funds (ETFs)

2025 Outlook: As the regulatory environment eases under a new administration, bringing more clarity to the digital asset space, we anticipate broader institutional participation to sustain significant inflows into U.S. spot Bitcoin ETFs. Assets under management (AUM) are expected to more than double, with Bitcoin holdings surpassing 2.5 million BTC in 2025.

The launch of spot Bitcoin exchange-traded products (ETPs) in the U.S. marked a transformative milestone for Bitcoin, solidifying its legitimacy and expanding access to crypto's preeminent asset 15 years after its inception. Led by BlackRock's iShares Bitcoin Trust (IBIT), total AUM surpassed \$120M by year-end, with nine prominent issuers entering the market and achieving unprecedented success, outpacing ETF launches of the past in speed and scale.



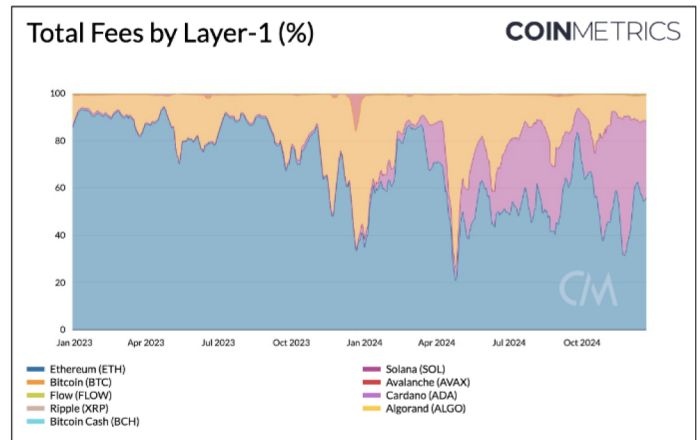
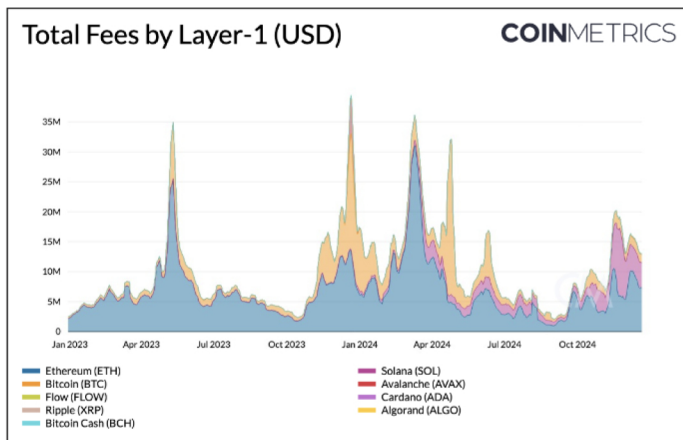
These products have already attracted major institutional players like Millennium Management and Jane Street. In 2025, we expect broader adoption from pension funds, endowments, and family offices, unlocking further capital inflows from channels that were previously unable to allocate. This second wave of adoption will further entrench Bitcoin as a critical component of institutional portfolios, driving legitimacy for the broader digital asset ecosystem.

INFRASTRUCTURE

Layer-1s

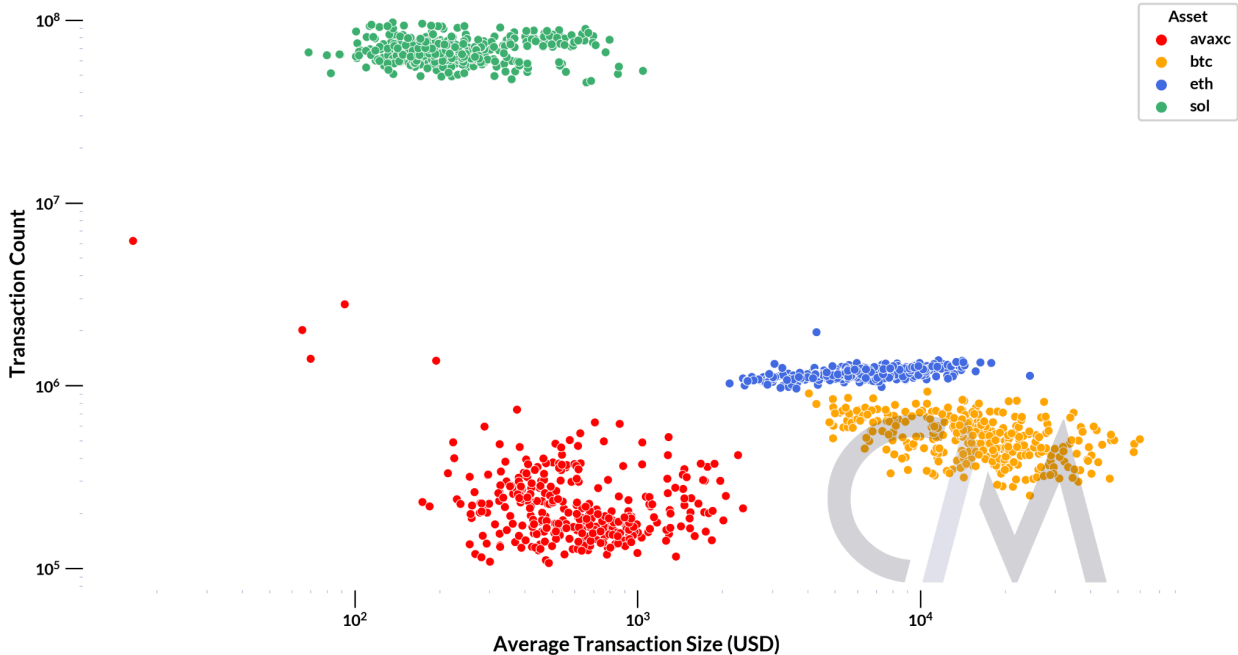
2025 Outlook: We expect the Layer-1 technical landscape to expand beyond the EVM, while demand for blockspace will consolidate around the EVM ecosystem, Ethereum and Solana, driven by continuous advancements in base layer and scaling solutions.

The “Layer-1 premium” continued into 2024, with the Smart Contract Platforms sector returning 40% in 2024. Established networks like Bitcoin & Ethereum saw strong adoption while Solana re-emerged into prominence. A new wave of integrated, high-performance networks like Sui also gained traction, showcasing the growing demand for diverse blockspace. As measured by daily total fees, blockspace demand on the leading Layer-1s remained robust, shaped by network specific events like Bitcoin’s 4th halving, Ethereum’s Dencun upgrade (with EIP-4844) and the growth of memecoins and stablecoins on Solana.



We believe that rising market valuations and the launch of highly anticipated Layer-1s like Monad could propel the sector into 2025, though demand for blockspace is likely to consolidate around networks with distinct value propositions. Secure and decentralized blockspace on Bitcoin and Ethereum, low-fee, high-throughput networks like Solana, and scalable, low-cost Layer-2 solutions secured by Ethereum will remain the primary drivers of adoption. These trade-offs will shape the kinds of activity each network facilitates—such as payments on Solana or higher-value use cases like DeFi and settlement of tokenized real-world assets (RWAs) on Ethereum.

Economic Throughput of Layer-1 Networks in 2024



While a new wave of Layer-1 blockchains adopting alternative virtual machines and parallel transaction execution—such as Solana’s SVM and the MoveVM, originally developed by Facebook for the Diem project—will expand the technical landscape beyond the EVM, the success of these networks will depend on their ability to carve out differentiated use cases, attract developers, applications and ultimately users to their ecosystems. In 2025, we anticipate significant progress on Layer-1 roadmaps, including the maturation of Ethereum rollups, the *Pectra* upgrade and Solana’s launch of the Firedancer client in production, driving greater scalability and further cementing Layer-1’s as foundational infrastructure for digital assets. Going into 2025, the following technical upgrades and developments are on the horizon for Ethereum and Solana:

Ethereum:

Ethereum is set to undergo one of the largest hard forks in its history with the Pectra (Prague + Electra) upgrade. The upgrade is expected to go live in 1Q25, addressing some shortcomings in the PoS system, improve user experience (UX) and grow Ethereum’s capacity as a data availability (DA) layer with additional discussions to scale the Layer-1 alongside the rollup centric roadmap.

- **Blob Capacity:** [EIP-7742](#) will enable a mechanism to dynamically adjust the target blob count and alongside that, increase the target number of blobs per block from 3 to 6 and maximum from 6 to 9, aiming to keep L2 costs low and predictable.
- **User Experience (UX):** Proposals like [EIP-7702](#) are expected to improve wallet UX by allowing externally owned accounts (EOAs) or user wallets to temporarily function as smart contract wallets. This enables them to execute logic similar to smart contracts, providing greater flexibility for users, wallets and apps, such as batching multiple transactions, or making conditional or sponsored transactions without requiring permanent smart contract accounts.

- **Validator Dynamics:** The introduction of a Maximum Effective Balance in [EIP 7521](#) increases the maximum validator ETH balance from 32 to 2,048. This allows larger staking entities to consolidate their validators, reducing operational complexity and network stress associated with running numerous small validators.
- **Scaling the L1:** While the rollup-centric roadmap remains the priority, Layer- scaling initiatives include [increasing Ethereum's gas limit](#). Validators are signaling support to raise the gas limit from 30 million to 36 million, which could enhance network capacity and lower transaction fees on mainnet.

Solana

Solana has continued to develop on its mission to “Reduce Latency, Increase Bandwidth”. In 2025, the network is expected to undergo the following changes, addressing validator economics and performance at the hardware level.

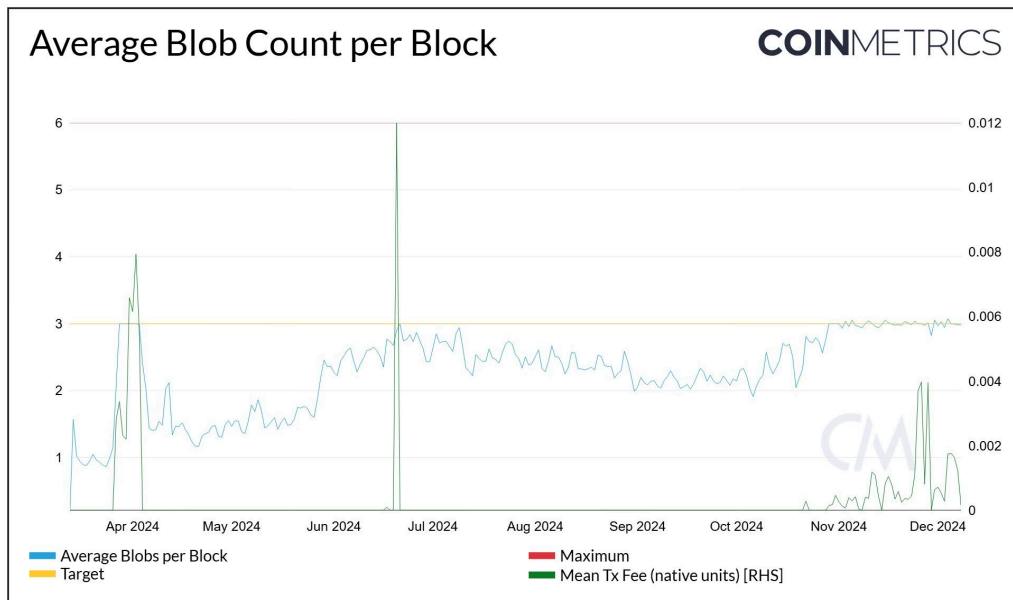
- **Validator Incentives:** Solana validators approved the [SIMD-0096](#) proposal, allocating 100% of transaction priority fees to validators and eliminating the previous 50/50 split between burning fees and rewarding validators. This aims to enhance validator incentives and strengthen network security.
- **Issuance Changes:** Solana is expected to revisit its issuance policy to address inflation concerns. Currently, the inflation rate stands at ~5% and is programmed to decline by 15% annually to reach a long-term target of 1.5%. Adjustments aim to reduce inflation to limit value dilution for non-stakers and better compete with Proof-of-Stake networks like Ethereum, with an inflation rate of ~0.5%.
- **Client Diversity:** Solana currently operates with 2 validator clients, which poses risks to network reliability and resilience. Firedancer, an independent validator client, is expected to launch on mainnet in 2025, improving client diversity, network security and performance, further increasing Solana’s throughput and scalability.

These technical upgrades reflect the evolving focus of Layer-1 blockchains, balancing tradeoffs to advance scalability and performance on their roadmaps.

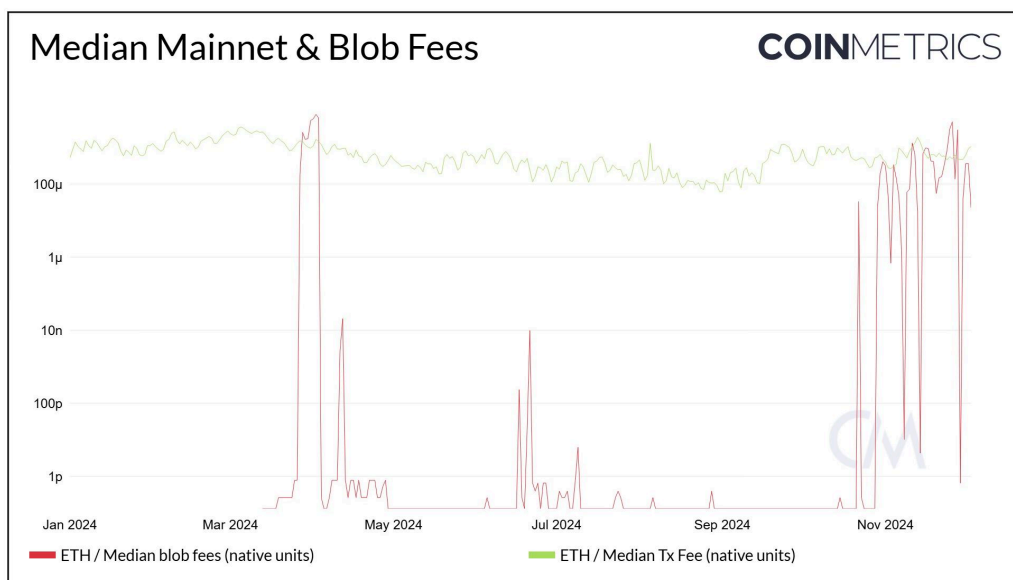
Layer-2s

2025 Outlook: We expect blob space to increase in being a driving factor for Ethereum scalability. With more institutional (Ink Chain, Soneium) and custom (Unichain) Layer-2s built to settle on Ethereum, blob fees will account for a greater percentage of total fees paid on Ethereum. With plans to increase the target blob rate in Ethereum's Pectra upgrade, Layer-2s will need to continue monitoring their blob inclusion while ensuring fees are minimized versus alternative data availability solutions.

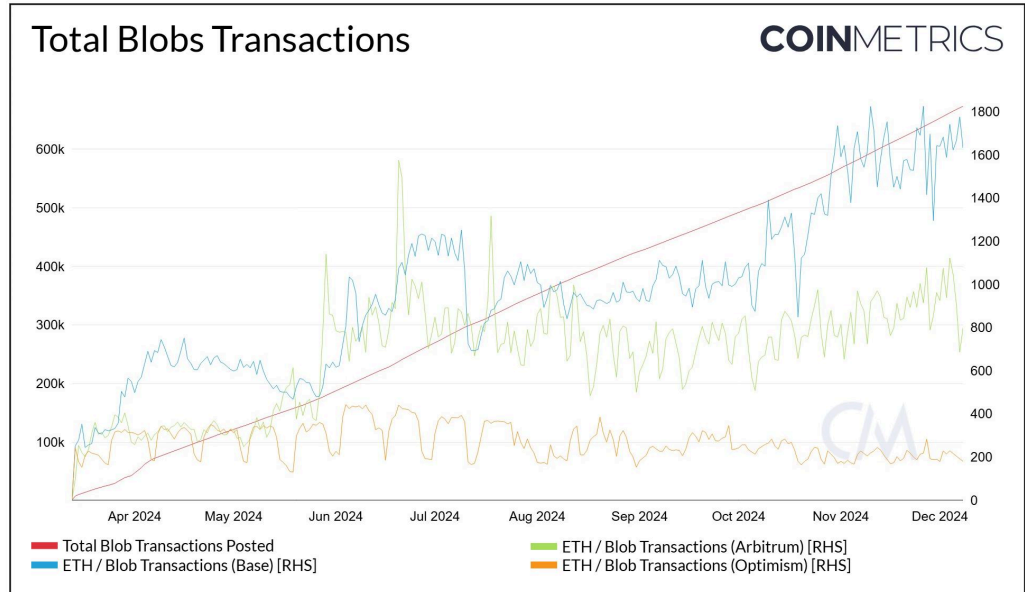
Ethereum's Dencun Upgrade on March 13, 2024 created dedicated blob space for Layer-2s to post data to Ethereum instead of competing with retail users for blockspace. Blob space has been well-adopted by Layer-2s as it dramatically reduced the costs associated with transacting and settling data.



Ethereum is prepared to support more Layer-2s adopting blob space to post data. The target number of blobs per block is currently set to 3. Increased adoption of blobs consistently reaching the target can exponentially increase L2 costs for settlement, potentially benefitting fee accrual on Ethereum L1. With a maximum of six blobs per block, Layer-2s have room to continue adopting blobs as a means of storing data on Ethereum.

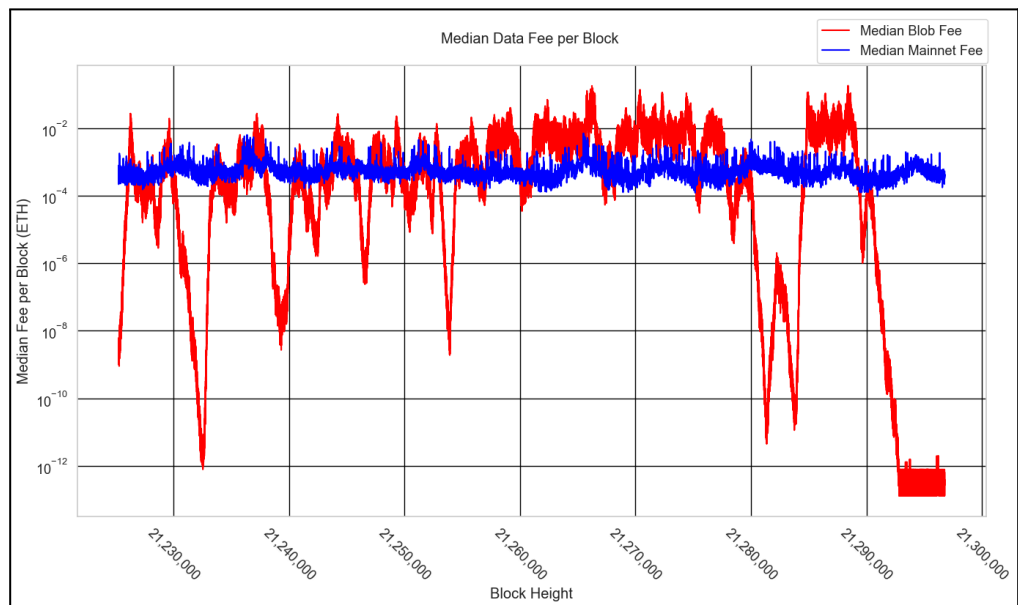


Current well-positioned Layer-2s continue to build towards achieving Stage 2 qualification. Rollups including Arbitrum and Optimism have working fraud proofs in place and are beginning to decentralize the network's upgradeability and security participation.

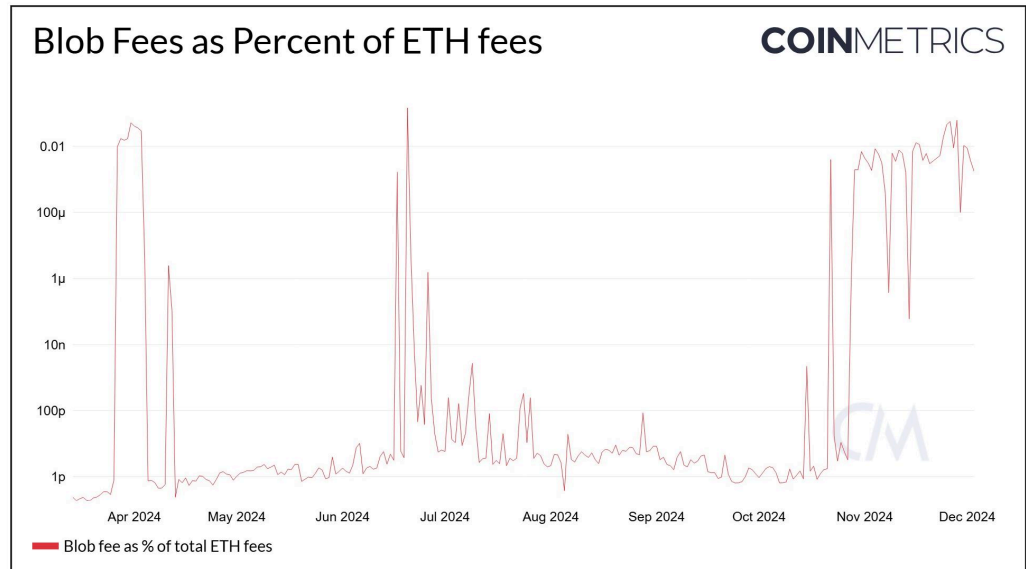


Zero-Knowledge (ZK) proofs have emerged as additional technology to verify Layer-2 state changes. Optimistic Rollups assume all transactions are valid unless proven false, whereas the opposite is true for Zero-Knowledge Rollups. This provides increased transaction validation security while preventing unnecessary information from being shared. With some Layer-2s such as StarkNet, zkSync, and Scroll building using ZK proofs to power their networks, user adoption and retention in the coming year can help justify ZK-Rollups as a successful and relevant alternative to Optimistic Rollups.

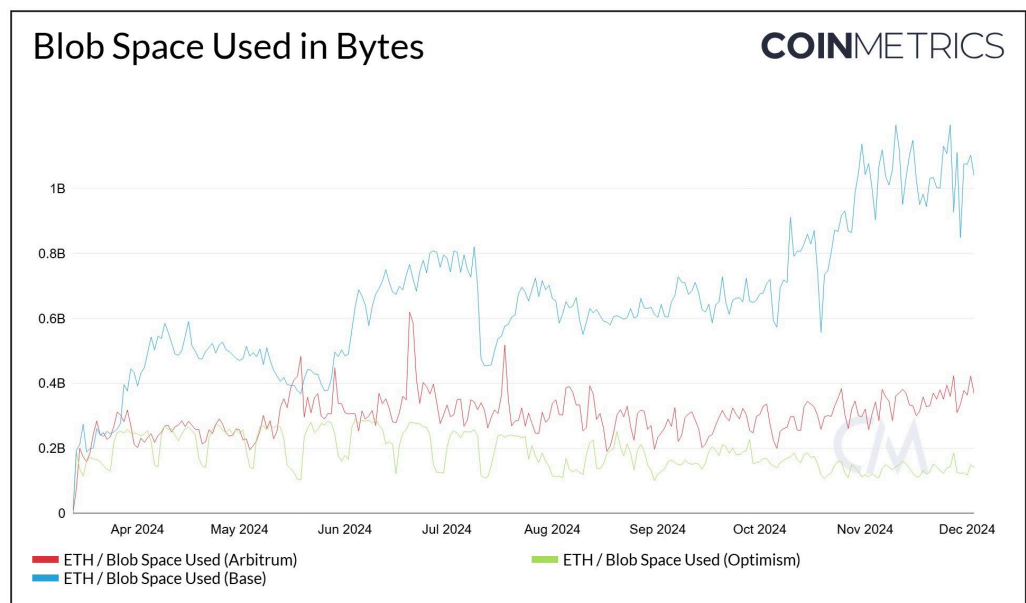
Blobspace adoption will continue to support blob price discovery. Once enough rollups adopt blobspace, the volume of blob posts increase, and blob fees rise in cost to a minimum of 1 wei (1×10^{-18} ETH), any further increases in demand for blob space will force blob fees to exponentially increase. As seen from November 20 to November 29, blob fees were more expensive than mainnet fees. Layer-2s will look to better prepare for minimizing data availability costs when fees rise in specific markets in the future.



Blob fees will continue to grow as part of the revenue generated by Ethereum. While currently accounting for a maximum of just over 0.01% of total Ethereum fees, blobs and Layer-2 adoption are prepared to grow in 2025.

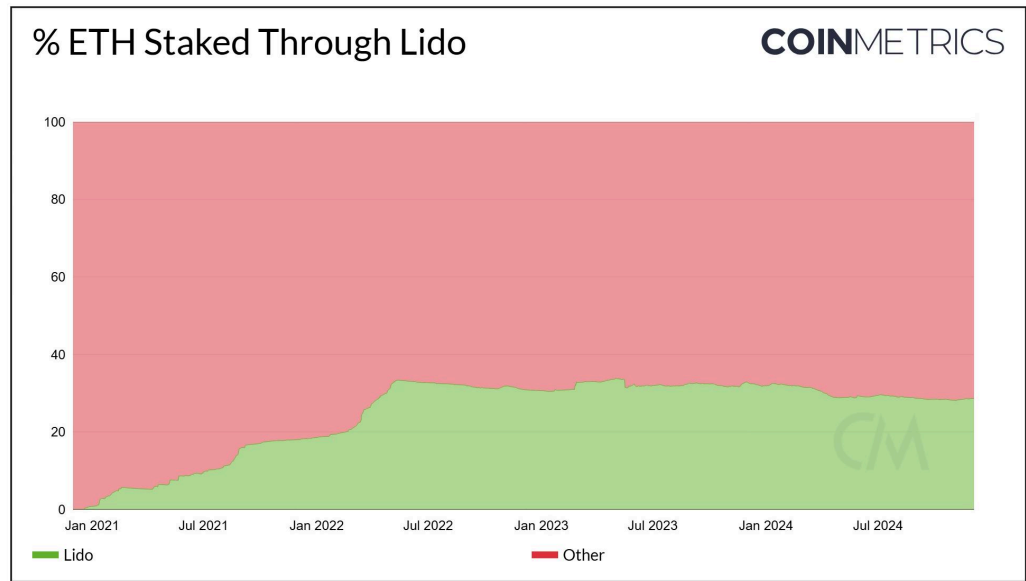


Using Ethereum as a data storage solution for network scaling platforms, Layer-2s such as Base are increasing the amount of data stored in blobs sent to Ethereum. This increases the amount of data and scalability that can be obtained by Ethereum ecosystem users.

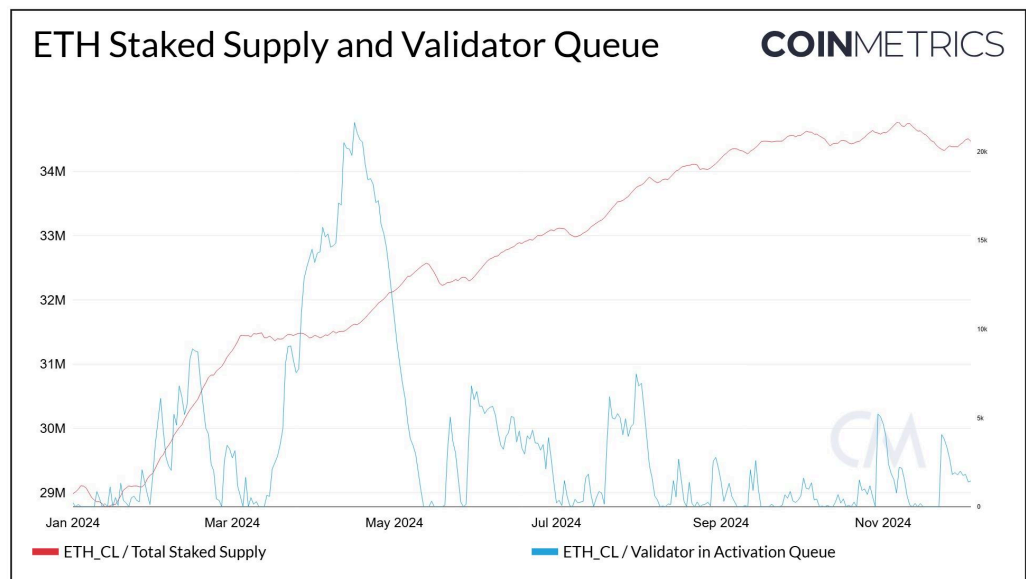


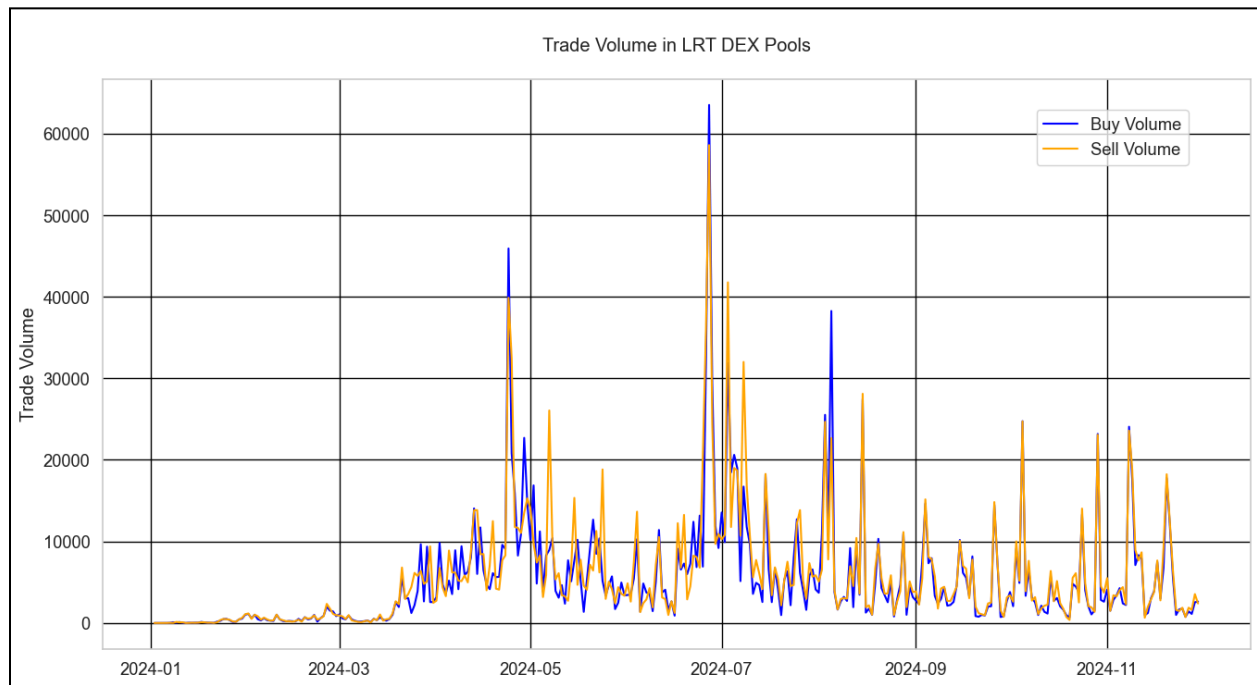
Staking & Restaking Protocols

Lido continues to remain the liquid staking solution of choice for users. With a slight decrease in market share over the previous year, its maturity and liquidity on-chain has enabled stETH to be a core asset when considering a potential risk-free rate standard for on-chain investments.



The amount of staked ETH continues to increase, as do the number of validators securing the network. While validators have had to occasionally wait in the queue to become active, Ethereum's proposed Pectra upgrades may decrease the amount of new validators and could increase the amount of ETH staked per validator.





Liquid Restaking Tokens (LRTs) gained significant interest in 2024 with protocols including EigenLayer and Symbiotic enabling deposits to support Actively Validated Services (AVSs) on Ethereum. Interest in trading and collateralizing LRT tokens has decreased from highs early this year, but can continue to gain traction as more AVSs support protocols in 2025 and find product-market fit.

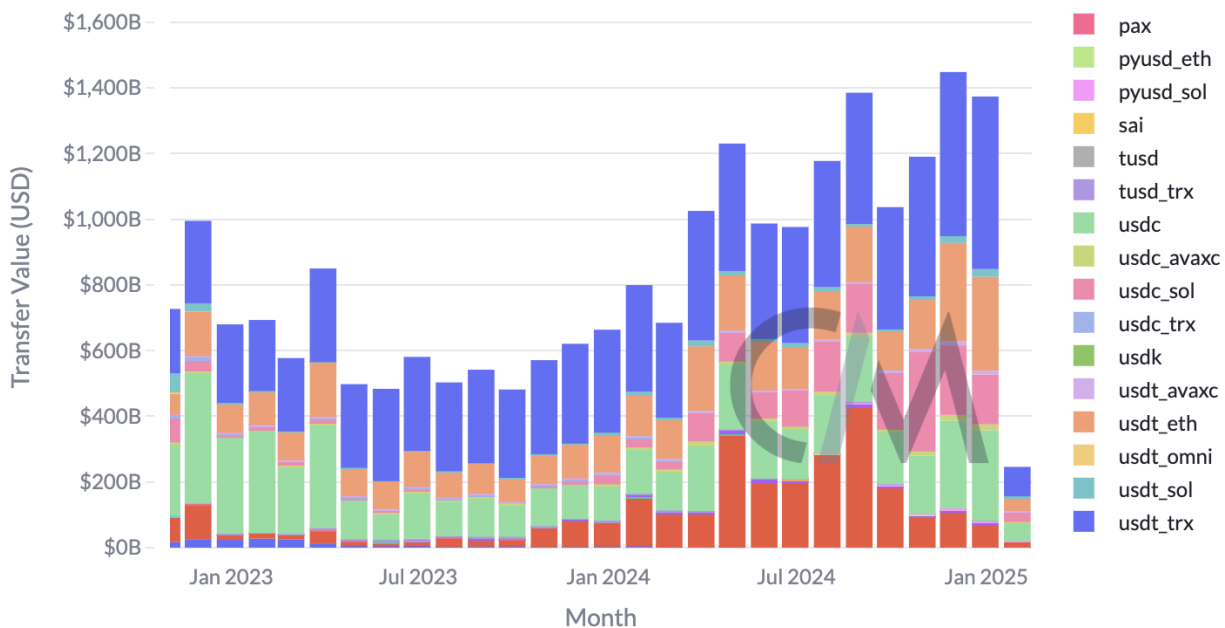
APPLICATIONS

Stablecoins Will Grow to \$400B and Settle Over \$20T in Value

2025 Outlook: Stablecoins grew by ~50% in 2024 to over \$200B and settled over \$12T in total transfer volume. We expect stablecoin supply to cross \$400B and settlement volumes to grow over \$20T in 2025, driven by the bull market, entrance and expansion of issuers across networks, passing of stablecoin legislation and adoption for consumer and enterprise payments & financial services.

Adjusted Transfer Value by Stablecoin

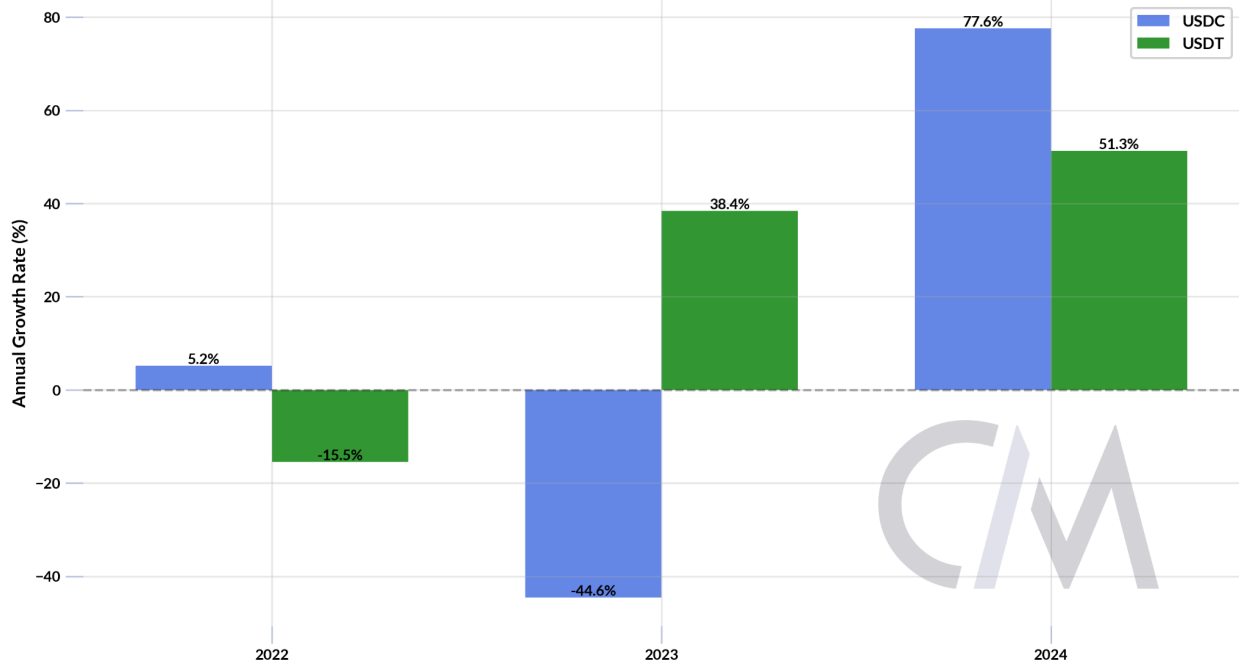
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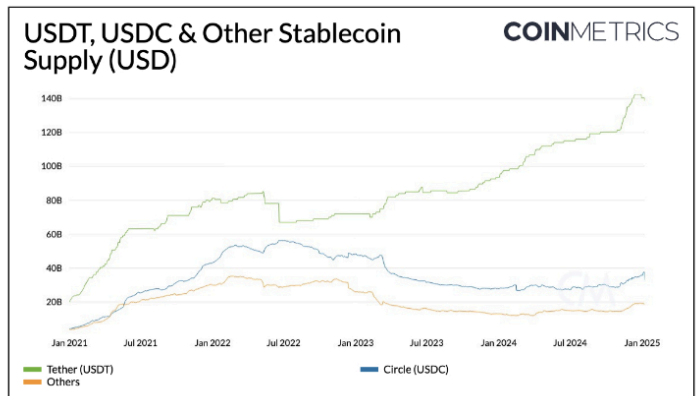
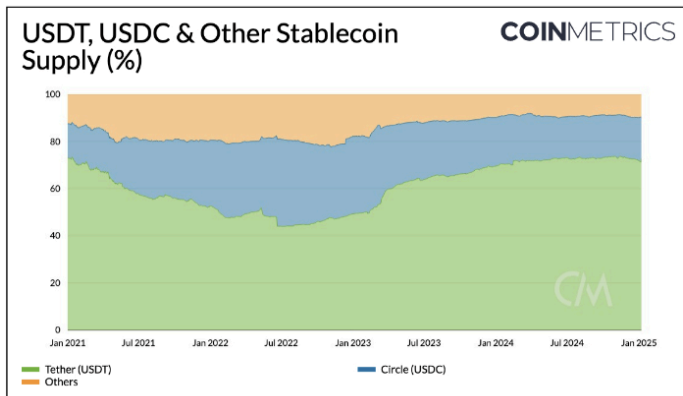
2025 Stablecoins Trends

We expect USDT and USDC to remain the top two stablecoins in 2025, exceeding their 2024 growth rates and maintaining market dominance. However, “Other” stablecoins—propelled by new launches and the growth of existing alternatives—are likely to narrow the gap in total supply and capture an increasing (~30%) share of the stablecoin market.

Annual Growth Rates of USDT & USDC (%)



Following the footsteps of Societe Generale, at least one major bank or fintech company is expected to launch its own stablecoin in 2025, joining a list of five major launches in the year. The success of stablecoin issuers like Tether, and involvement of payments giants like Visa and Stripe will inspire new entrants across sectors, from financial institutions to niche application-specific stablecoins. This will drive mass adoption by enhancing ecosystem usage, payments adoption, and yield-bearing opportunities for consumers and businesses alike.



Below are some of the stablecoins to watch in 2025, which are poised to gain momentum and drive growth in the overall stablecoin market. This growth will be fueled by widespread adoption, shifts toward diversified asset backing, and the integration of yield-generation mechanisms.

“Other” Stablecoins to Watch in 2025

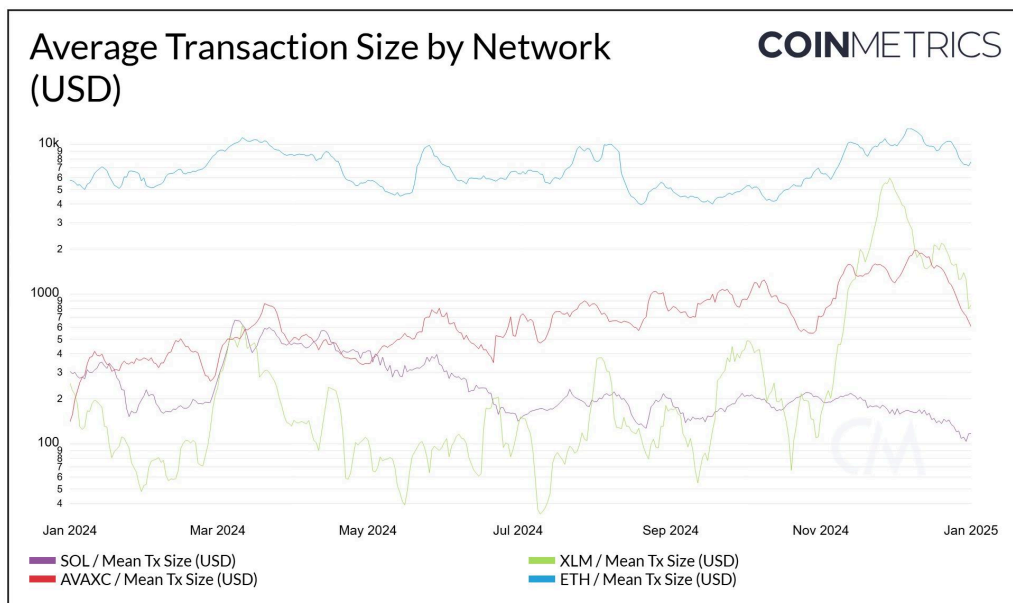
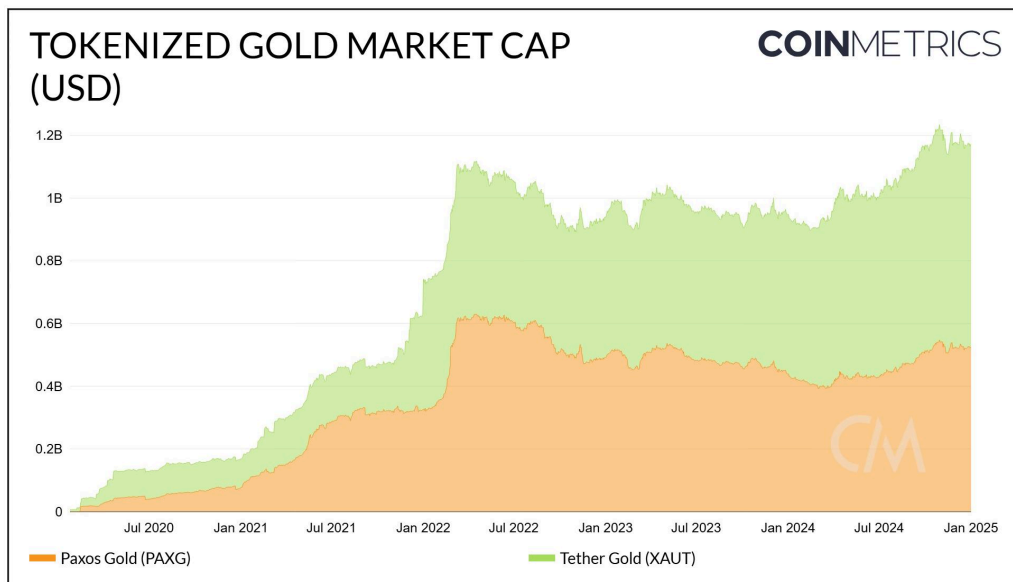
Stablecoin	Issuer	Type	Current Market Cap	Networks
PYUSD	PayPal	Fiat-backed	\$491M	Ethereum Solana
USDe	Ethena	Crypto-backed	\$5.8B	Ethereum
FDUSD	First Digital	Fiat-backed	\$1.9B	Ethereum
USDS	Sky (MakerDAO)	Crypto+RWA Backed	\$5.7B	Ethereum, Solana
DAI	Sky (MakerDAO)	Crypto+RWA Backed	\$3.4B	Ethereum
USD0	Usual	RWA Backed	\$1.8B	Ethereum

Real World Assets (RWA) Tokenization

2025 Outlook: We expect an influx in tokenized assets across leading chains as the regulatory landscape evolves and institutions search for more easily-accessible capital and liquidity rails. As a result, the RWA market will double in assets brought onto public blockchain rails. We predict at least one publicly traded company on the NYSE or NASDAQ will tokenize their shares on the blockchain.

Tokenized commodities such as gold reached all-time high market capitalizations in 2024. As more institutions begin to experiment with tokenizing real-world assets such as U.S. treasuries, bonds, private credit and commodities, issuers will need to examine network suitability for their needs such as programmability, faster settlement, and user accessibility.

The average transaction size on each network helps show user preferences and network fee sensitivity for tokenization issuers. Ethereum commands the largest average transaction size around \$4,500 per transaction. Issuers may find a larger number of users who are willing to allocate more capital on Ethereum due to their lack of sensitivity to Ethereum's more expensive fees. On the other hand, issuers deploying on Solana may favor the low average transaction size around \$100. Certain tokenized products may attract better adoption by retail users who are more fee sensitive.



Decentralized Finance (DeFi)

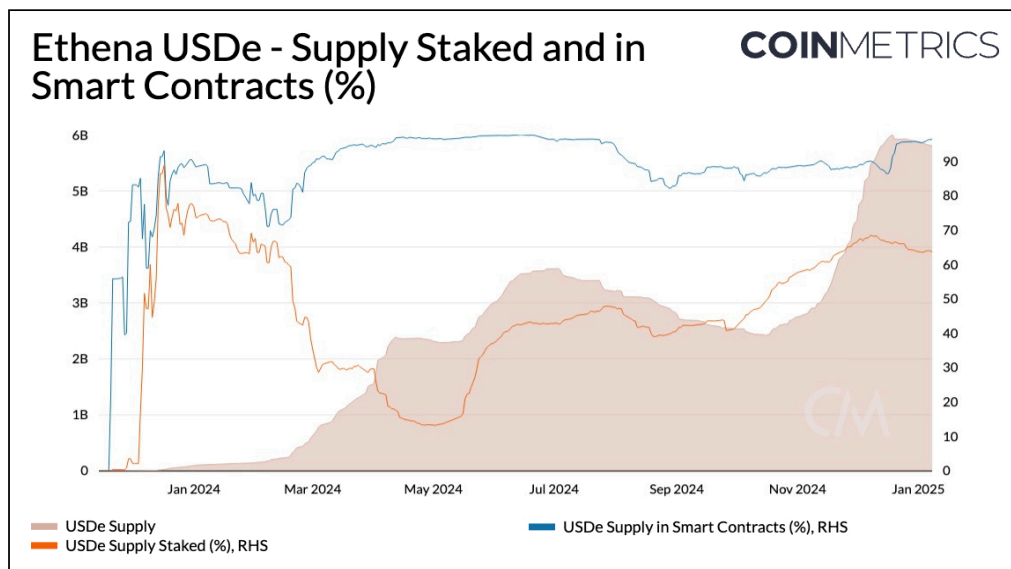
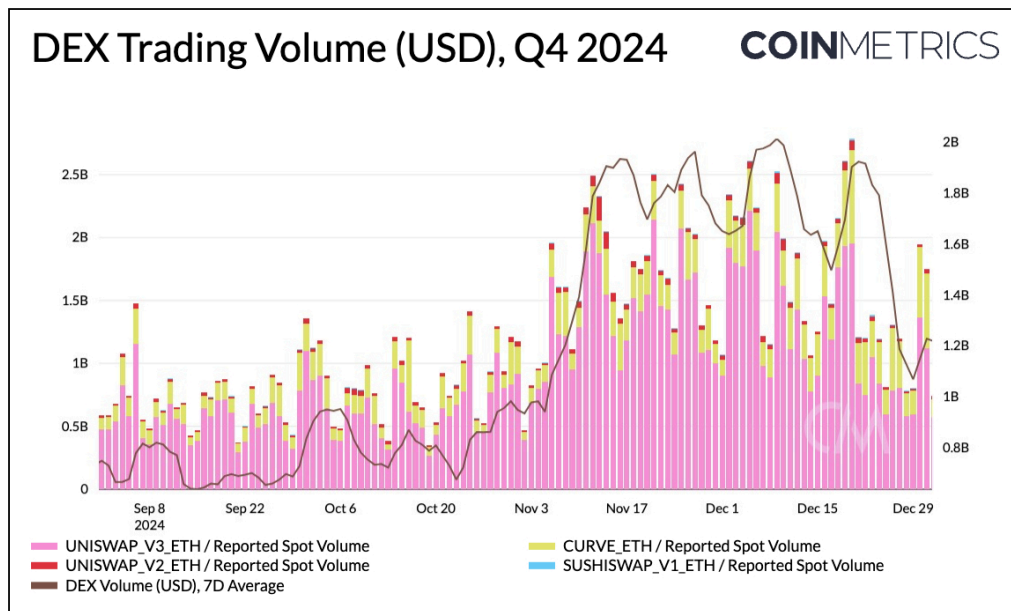
Decentralized Finance protocols have continued to build during unfavorable regulation conditions, and remain the cornerstone of on-chain applications that enable users to trade, save, earn, lend and more. With a focus on scaling their treasuries and increasing revenue from a growing user base, DeFi projects are increasingly aiming to enhance fee generation and channel profits back to token holders, reinforcing their value proposition.

Decentralized exchanges (DEX's) are seeing greater activity across

Layer-1 and Layer-2 ecosystems, with sustained dominance from DEX's like Uniswap v3 and the proliferation of newcomers like Aerodrome on Base, Raydium on Solana and perpetuals exchanges like Hyperliquid.

On the other hand, lending protocols have also capitalized on a growing number of yield generating collateral assets, following the role of liquid staking tokens like stETH in growing demand. Yielding stablecoins like Ethena's USDe, Bitcoin derivatives like wrapped bitcoin (WBTC), Coinbase Wrapped BTC (cbBTC) and liquid restaking tokens have

re-invigorated the lending landscape, with players like Maple Finance also tapping into institutional credit. The integration of RWAs into these on-chain primitives should spur further growth in this sector.



Two major trends in DeFi going into 2025 include:

Internalizing MEV:

This past October, Uniswap announced it will be deploying Unichain on the Optimism Superchain. Traditionally, swappers were susceptible to MEV searchers negatively impacting their transactions. MEV searchers could create transactions malicious to the user such as a front-run or sandwich attack, that forced the user's swap to experience more price slippage or fail. With Unichain, a custom scaling solution, Uniswap can control more parts of the transaction process and swappers and liquidity providers can receive the MEV value that was previously captured by external parties.

Modular DeFi:

With the rise in popularity of modular blockchains - using different protocols to support execution, data availability, consensus, and settlement - modular protocols are following suit and are increasing the amount of customizability for its users. Protocols including Morpho and Euler Finance enable risk managers and lenders to create custom lending pools. This allows borrowers to use different collateral assets with a variety of lending markets and lenders to select markets with better yields or custom interest rates.

The Rise of App-Chains

While general-purpose blockchains have seen significant growth, we anticipate a rising trend in application-specific chains ("appchains")—blockchains tailored for specialized use cases. Examples include DeFi-focused chains like Uniswap's "Unichain," "Hyperliquid," and the Cosmos SDK-enabled dYdX chain, as well as consumer-oriented chains like "Abstract." As projects mature and establish strong user bases within their niches, many are opting to develop purpose-built chains. These appchains are designed to enhance user experience, improve scalability, and enable projects to capture greater value from the services they provide.