

# INDUSTRY REPORT

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WEEK 30 | 30 MAY 2022



HUOBI WEEKLY REPORT

Authored by Eno Zhang, Fubing Yang, Researchers at Huobi Research Institute

## Abstract

This week, we focus on the following events: 1) SpaceX launched the first encrypted satellite 'Crypto1' into space; 2) VC firm Standard Crypto raises US\$500 million in new fund; 3) Central African Republic Launches Official Crypto Center: Wallet/NFT/Metaverse All Included;

Project Analysis: Seaport is a Web3 marketplace protocol aimed at ensuring safety and efficiency when buying and selling NFTs. The following report will analyze main characteristics of Seaport and discuss some news about STEP.N.

## 1. Industry overview

### I. Overall market trend

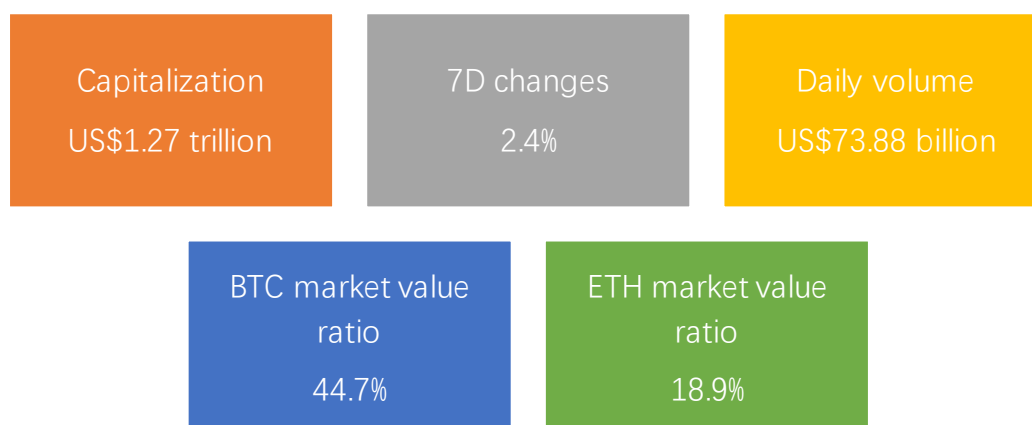


Figure 1. Overall market data

Source: CoinMarketCap

Since beginning May, the cryptocurrency has suffered its biggest decline since the bull market, and the price of Bitcoin fell from a high of US\$40,000 to a low of US\$26,700, with a maximum drop of 34.66%. This is the biggest downtrend Bitcoin has faced since hitting an all-time high of US\$69,000 last year, while also hitting its lowest price since the bull run. The slump in Bitcoin also brought about an overall

decline in the cryptocurrency market. The second-ranked ETH fell by more than 63%, and most of the other altcoins fell by more than 80%.

Glassnode data shows that the number of ETH lost addresses reached a 2-year high, with a seven-day average of 33,276,583.333. The number of BTC loss-making addresses (7-day MA) also hit a 2-year high of 15,080,027.048 in May.

Rank	Name	7d
1	AgeOfGods	62.24%
2	Terra	-6.78%
3	Ariva	17.63%
4	Green Satoshi Token	-13.88%
5	Anchor Protocol	153.72%
6	Muu Inu	313.28%
7	Ellipsis	38.14%
8	PancakeSwap	6.10%
9	Mirror Protocol	34.23%
10	TerraUSD	-43.58%

**Table 1.** Last week's hot currencies

**Source:** CoinMarketCap

The world's largest cryptocurrency, BTC has fallen for the first time ever for eight consecutive weeks. During this time, BTC lost nearly a third of its market cap.

For the past two weeks, BTC has been hovering around the US\$30,000 mark. The price of BTC has fallen by more than 50% since it peaked at US\$69,000 on November 10 last year. BTC remains the largest cryptocurrency by market cap, but the Total Market Cap of all cryptocurrencies is currently US\$1.3 trillion, less than half of last November's peak of US\$3 trillion.

The Bitcoin Market Sentiment Fear and Greed Index by data platform Coinglass hovered around 13 (0 for extreme fear and 100 for extreme greed). According to news and research site The Block, total spot market volume for all cryptocurrencies on major exchanges fell to US\$18.4 billion as of Monday, less

than half of the US\$48.2 billion total traded on May 14 (the latter being the highest volume in 2022 to date).

## II. NFT

Rank	Name	Volume 7d	Est. Market Cap
1	Otherdeed for Otherside	14,703.97 ETH	862,403.1 ETH
2	Chimpers	7,613.94 ETH	23,074.42 ETH
3	Bored Ape Yacht Club	6,124.4 ETH	1,093,533.6 ETH
4	goblintown	4,688.67 ETH	2,794.59 ETH
5	Mutant Ape Yacht Club	3,877.3 ETH	411,333.04 ETH
6	CLONE X	2,459.98 ETH	300,397.45 ETH
7	Moonbirds	2,413.19 ETH	271,144.48 ETH
8	Azuki	2,299.54 ETH	141,075.96 ETH
9	DEGEN TOONZ	2,178.81 ETH	23,702.94 ETH
10	Milady Maker	1,967.13 ETH	9,014.38 ETH

**Table 2.** NFT Collections Listed By Sales Volume (7d)

**Source:** CoinMarketCap

The NFT market has been sluggish for three consecutive weeks. At present, the weekly transaction volume has fallen below US\$200 million, and the proportion of NFT market value held by whales is also declining. The current state of the market may continue for a period of time, and the market needs new hot spots to stimulate activity in the overall market.

Cryptoslam, an NFT data statistics platform, shows that in the past 7 days, the NFT transaction volume on the Solana chain reached US\$40.38 million, and the volume is already 1/5 of that of Ethereum, ranking second in the NFT ecology of various public chains.

Although there is still a gap between NFTs on the Solana chain and Ethereum in terms of transaction volume, the number of NFT transaction users and transactions on the chain surpasses that of Ethereum. In the past 7 days, the number of NFT transaction users on the Solana chain was about 69,300, and the

number of transactions was 310,000. The number of transaction users of NFT on the Ethereum chain is about 62,600, and the number of transactions is 120,000.

Rank	Platform	Chain	Floor Price	Weekly volume	Whale sales
1	Dreadfulz	Ethereum	0.03 ETH	67.34 million	0
2	Meebits	Ethereum	4.44 ETH	33.28 million	8
3	Otherdeed	Ethereum	3.11 ETH	35.32 million	157
4	Bored Ape Yacht Club	Ethereum	91 ETH	13.92 million	17
5	goblintown.wtf	Ethereum	0.5 ETH	11.97 million	195
6	Moonbirds Oddities	Ethereum	3.25 ETH	8.7 million	98
7	Mutant Ape Yacht Club	Ethereum	19.69 ETH	10.23 million	21
8	Azuki	Ethereum	12.49 ETH	4.93 million	14
9	Doodles	Ethereum	13 ETH	2.6 million	11
10	DEGEN TOONZ COLLECTION	Ethereum	2.85 ETH	4.34 million	23

**Table 3.** Top trending collections on NFTGO (by daily volume)

**Source:** NFTGO

### III. DeFi

Rank	DeFi	TVL in billions US\$
1	MakerDAO (MKR)	9.86
2	Curve (CRV)	9.12
3	AAVE (AAVE)	8.74
4	Lido (LDO)	8.47
5	Uniswap (UNI)	5.92
6	Convex Finance (CVX)	5.37
7	PancakeSwap (CAKE)	4.27
8	Compound (COMP)	4.2
9	JustLend (JST)	2.81
10	Instadapp (INST)	2.51

**Table 4.** DeFi market TVL ranking

Source: DefiLlama

### IV. Layer 2

Rank	Layer2	TVL in million US\$	Market Share
1	Arbitrum	2650	55.19%
2	dYdX	944	19.65%
3	Optimism	492	10.24%
4	Loopring	235	4.91%
5	Metis Andromeda	150	3.13%
6	Boba Network	88.46	1.84%
7	zkSync	79.03	1.64%
8	ZKSpace	53.69	1.12%
9	Immutable X	34.90	0.73%
10	DeversiFi	33.21	0.69%

**Table 5.** Layer2 protocols ranking and market share

Source: l2beat

## 2. Market news

### 1. Industry news

#### **SpaceX launched the first encrypted satellite 'Crypto1' into space**

SpaceX launched the first encrypted satellite developed by Cryptosat into low-Earth orbit in Florida on 26 May local time in the United States. It is reported that the encrypted satellite, called "Crypto1", is a module the size of a coffee cup. In space, it will provide a physically inaccessible and tamper-proof platform from which blockchain and ledger applications can be launched. According to Cryptosat co-founder Yan Michalevsky, this type of platform is the first trusted root (a source that is always trusted in cryptosystems) out of the world and not dependent on other satellites from other companies. Yan Michalevsky added that one of the most exciting applications of the module is building zero-knowledge proof protocols. He said these protocols are often used for things like voting in decentralized autonomous organizations (DAOs), where decisions can be made without revealing individual votes.

#### **OpenSea launches Web3 marketplace protocol Seaport**

OpenSea launches "Seaport, a Web3 marketplace protocol for buying and selling NFTs securely and efficiently." The protocol will allow for more diversification, but also a specific NFT trading experience. Users will be able to post NFT offers including ERC20, ERC721 and ETH, not just ETH transactions like OpenSea currently offers. This means, instead of listing an NFT for a certain amount of ETH, users will be able to list potential offers for a specific NFT. For example, users can use Seaport to create an offer to exchange Bored Ape for UNI tokens including CryptoPunk, Cryptoadz and Uniswap.

#### **Taobao 618 will launch Metaverse shopping, and the 3D space screen will be exposed for the first time**

Taobao has established a Metaverse special project team to explore shopping and interactive scenarios, optimize virtual shopping venues, and will launch Metaverse shopping during its 618 sale. Among them, the project team focuses on the link problem of "people and goods yard", ensuring that users can experience virtual shopping links at the front end without wearing external devices, so as to provide a

3D Taobao experience. It is reported that on May 17, Taobao Life opened the application permission for the "Future World Resident Card" with a unique code for all users, and carried out digital chain deposits. Analysts believe that the "resident card" may be used in preparation for the construction of a new 3D virtual world.

## II. Investment and Financing

### VC firm Standard Crypto raises US\$500 million in new fund

Venture capital firm StandardCrypto has raised \$500 million in a new fund, according to a report from Axios. It is reported that the fund will invest in stocks and cryptocurrencies. In an interview earlier this year, co-founder Alok Vasudev discussed areas of interest for venture capital firms such as NFTs and DAOs.

### Fidelity's Bitcoin Index Fund Invests Over US\$125 Million

Nearly two years after the launch of the Fidelity Investments Bitcoin Index Fund, growth in onshore investment has declined year-over-year, the filings show. The Wise Origin Bitcoin Index Fund, which went public in August 2020, gives Boston-based Fidelity the ability to provide clients with Bitcoin exposure. Nearly nine months later, the fund raised US\$102 million, according to SEC filings. The fund has now raised a total of US\$126.5 million as of May 23, suggesting overall growth is slowing compared to previous reporting periods. While the fund grew modestly in its second year, the number of investors has grown from 83 to 689. Fidelity recently announced that it will allow its customers to allocate a portion of their retirement savings to Bitcoin.

### Firework secures US\$150 million in Series B financing, led by SoftBank Vision

Firework secured a US\$150 million Series B round led by SoftBank Vision Fund 2. The company said it is now valued at US\$750 million. In 2021, Firework raised US\$55 million at a valuation of US\$230 million. Firework has now raised over US\$235 million in funding since it was founded in 2017 by co-founders Vincent Yang and Jerry Luk. Firework provides purchasable video and live streaming commerce



capabilities for retailers, consumer brands and publishers who want to leverage their customer data to build engaging video experiences across their digital properties and social channels. Last year, Firework worked with approximately 600 companies, including Albertsons Companies, The Fresh Market and Omnicom Media Group.

### **III. Supervision**

#### **Central African Republic Launches Official Crypto Center: Wallet/NFT/Metaverse All Included**

After adopting Bitcoin as legal tender in April, the Central African Republic now wants to create Sango, a cryptocurrency hub. The initiative, called Sango, was launched by the National Assembly of the Central African Republic with the support of the president. According to the official page, Sango seeks to "pave the way for a digital future with limitless possibilities". At the same time, Sango will be the first reality-backed cryptocurrency economic zone in the metaverse world, supporting the connection of the real world (real estate, fractional ownership) with the Metaverse, and can be extended to other blockchains in the future. Sango allows users to manage their NFTs in the metaverse and unlock other features such as marketplaces, ownership, funding, asset tokenization. Sango allows users to mint NFTs in the metaverse to provide an additional layer of business services.

#### **U.S. Senator: Comprehensive cryptocurrency bill to be introduced as soon as next week**

U.S. Senators Cynthia Lummis and Kirsten Gillibrand discussed details of the much-anticipated bipartisan cryptocurrency bill at the DC Blockchain Summit on Tuesday, as they plan to unveil their bipartisan crypto bill in June. Gillibrand said the Responsible Finance Innovation Act, which has been in the works for more than a year, will be the first comprehensive digital asset framework to enter Capitol Hill. This will be the first comprehensive cryptocurrency bill to be introduced. Our bill does include some of the same provisions as other House and Senate bills, but no other bill seeks to create a regulatory framework for the industry as a whole. Highlights of the bill include a provision protecting miners from being considered brokers, which addresses a controversial section of the recently passed

infrastructure bill. It also grants the Commodity and Futures Trading Commission (CFTC) regulatory authority over most areas and clarifies that cryptocurrencies are not securities unless they are offered to fund a company, such as an initial coin offering. It is clear that Bitcoin is a commodity, Lummis said.

### **South Korea's Financial Supervisory Authority Actively Reviewing New Crypto Regulations Related to Stablecoins and DeFi**

South Korean financial regulators came together on Tuesday to discuss how to address the fallout from this month's TerraUSD stablecoin crash. The Financial Supervisory Authority (FSS), Fair Trading Commission (FTC) and Financial Services Commission (FSC) shared the latest news following an emergency session of the National Assembly, according to local news reports. The FSS revealed that following the collapse of Terra Blockchain, it plans to inspect the premises of companies offering financial services related to Terra Blockchain. In addition, FSS will develop a research service aimed at analyzing the risks of cryptocurrencies and digital assets circulating on domestic exchanges. The service will then classify these assets based on their risk characteristics. The FSC also announced that it is actively reviewing new cryptocurrency regulations related to stablecoins and DeFi.

## **3. Trending project analysis – Seaport Protocol and STEP N**

### **■ Seaport Protocol**

Recently, OpenSea, the leading NFT marketplace, has launched new marketplace protocol for NFT – Seaport. Seaport is a “Web3 marketplace protocol for safely and efficiently buying and selling NFTs.” This new decentralized protocol is used for trading popular token collections, and its special design, without restrictions on OpenSea, allows all developers, content creators, and collectors to build on it. The core smart contract is open source and inherently decentralized, meanwhile it does not have contract owner, upgradeability, or other special privileges. With emphasis on flexibility and optimizations,

Seaport has been built to support to support new and evolving use-cases for where NFTs are heading. The following report will introduce how Seaport operates and what its selling points are.



Figure 1. Seaport Logo

Source: Seaport official website

## 1) Seaport Deep-Dive

### ➤ Simplification of trading

Currently, most NFT marketplaces only allow for listings where one party agrees to supply an NFT and the other agrees to supply a payment token. This system extremely restricts tradings of NFTs and is hardly feasible for further improvement and evolving for the NFT industry. Seaport adopts a different approach. Its offerers can agree to supply a number of items valued by ETH / ERC20 / ERC721 / ERC1155, which is called the “offer.” This mechanism allows users to be able to trade for specific NFTs, not just listing an NFT for a certain amount of ETH. For instance, a user could use Seaport to create an offer to trade a Bored Ape for a bundle including a CryptoPunk, a Cryptoadz, and a bit of Uniswap’s UNI token. If a user holds Doodles which are valued 40 ETH and wants to get 100 ETH Ape, the user can simply pay 1 Doodle and 60 ETH to receive the item.

### ➤ **Novel and efficient transactions**

“In order for that offer to be accepted, these ETH / ERC20 / ERC721 / ERC1155 items must be received by the recipients indicated by the offerer – this is called the ‘consideration.’” This “consideration” process clearly indicates the terms of the proposed transaction.. Seaport provides a number of different ways for listings to be fulfilled. For example, the most directly fulfillment method is choosing a specific listing and creating an implied “mirror” of that listing, where the fulfiller receives all offer items and supplies all consideration items.

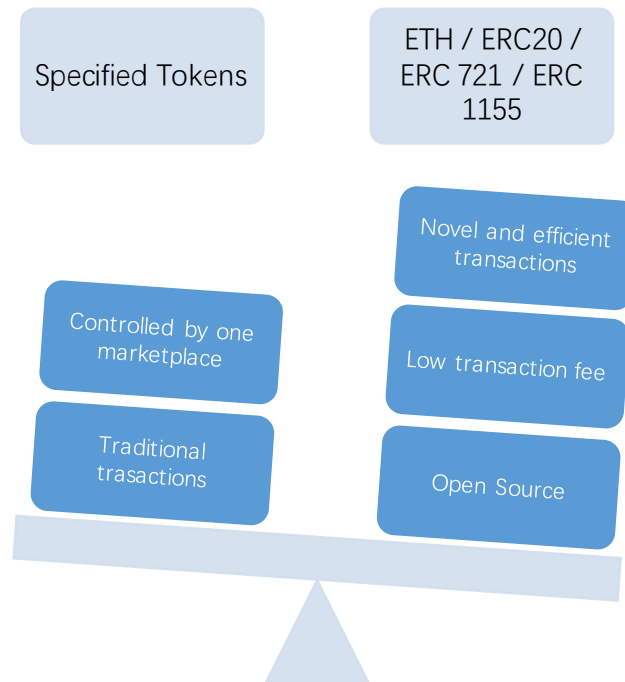
Another creative fulfillment method is the suggestions of other similar consideration items. Specifically, each fulfillment represents a single item transfer, and a group of items that the submitter can match with corresponding consideration items. As long as each consideration item on each listing is fulfilled, the offerers can leverage their coincidence of wants and complete their transfers. This process eliminates redundant transfers and provides a new method for users.

### ➤ **Low transaction fees**

As we previously mentioned, one attractive point of Seaport is the elimination of redundant transfers. This component of the protocol generally costs the highest gas fees. Furthermore, developers are impressed with the gas optimizations of the contract. According to Opensea, Seaport enables the use of Assembly code, which is more granular than high-level languages like Solidity. Although Assembly code is hard to write, it allows a higher degree of control and a lower transaction cost for products.

### ➤ **Open source**

Opensea does not control or operate the Seaport protocol. For now, they have built the initial version of the protocol and encourage the developer community to work together on this initiative. To attract professionals, Opensea kickstarted a two-week audit contest with code4rena with a US\$1 million prize pool, the largest pool size in their history.



**Figure 2.** Characteristics of Seaport

**Source:** Huobi Research Institute

## ■ STEP N

As we talk about Web3, STEP N is worthy of mention and analysis. STEP N is a Web3 lifestyle app with Social-Fi and Game-Fi elements. Users equipped with NFT Sneakers will need to walk, jog or run outdoors to earn tokens and NFTs. STEP N has a dual-token system. Users can also earn GST (Green Satoshi) tokens. A player can choose to lease or trade their NFT Sneakers on the in-app Marketplace; users' earnings are stored in the in-app wallet, which has a built-in Swap function. According to Jerry Huang, StepN co-founder, around two to three million users worldwide are actively using the app. As of May 26, STEP N's native token's (GMT) market cap hit the US\$702 million mark.

Since May 5, the price has fallen, and capitalization of GMT has shrunk. As consumers lose confidence in the crypto market and become less likely to buy tokens or NFTs, the momentum might slow down sooner than expected for this app. Furthermore, STEP N announced that it will stop providing GPS services to users whose IP address or GPS location shows them being in China on July

15. Without GPS services, players who own its NFT will not be able to earn tokens for their steps. The future of STEPN is unpredictable, and it is hard to say if STEPN's run is close to its end.



Figure 3. STEPN (GMT) price in a month

Source: CoinMarketCap



Figure 3. STEPN (GMT) market capitalization in a month

Source: CoinMarketCap

## 4. Calendar of future popular asset events

### I. NTF mint Calendar

Project	Marketplace	Blockchain	Date	Introduction	Website
TapeHeads	OpenSea	Ethereum	5.25-5.31	Exclusive free Sandbox avatars, first dibs on our future drops and merchandise for early adopters! Join our community-driven music metaverse!	<a href="https://www.tapeheads.io/">https://www.tapeheads.io/</a>
Lurkies	OpenSea	Ethereum	5.20-6.10	Lurkies is a collection of 5,555 generative hand-drawn NFT characters lurkin across the Ethereum blockchain. Lurkies will be playable characters in a play-to-earn, massively multiplayer online game built upon the NFT Worlds Ecosystem.	<a href="https://lurkies.com/">https://lurkies.com/</a>
Agent1 x Moonlanders - Metaverse Land NFT Game	OpenSea	Ethereum	5.20-6.20	Agent1 is a "play-to-earn gaming" NFT, that renders its visuals based on the holders' actions and wallet contents.	<a href="https://agent1.xyz/">https://agent1.xyz/</a>
Nova DAO NFT Genesis mint	OpenSea	Ethereum	5.25-6.01	NovaDAO is a DAO governed fundraising and incubation platform for Web 3.0 builders.	<a href="https://novadao.xyz/">https://novadao.xyz/</a>
Meta Freedom	Magic Eden	Solana	5.25-6.01	Meta Freedom LGBT NFT: The debut collection of the Meta Freedom project, created in support of the LGBT community! 9970 unique, software-generated and 30 extremely rare hand-drawn NFTs based on Solana blockchain are waiting for you!	<a href="https://metafreedom.app/">https://metafreedom.app/</a>

## II. Token Airdrops

Project	Number of Winner	Total airdrop amount	Ends in	Website
Bitpanda Broker Coin Listing Giveaway Airdrop	28	€8,500 in BEST	01 June 2022	<a href="https://www.airdropbob.com/bitpanda/airdrop-bitpanda-broker-coin-listing-giveaway">https://www.airdropbob.com/bitpanda/airdrop-bitpanda-broker-coin-listing-giveaway</a>
NFT Workx Airdrop	209	1,000,000 WRKX tokens + 500 USDT (Referral contest)	01 June 2022	<a href="https://www.airdropbob.com/nft-workx/airdrop-nft-workx">https://www.airdropbob.com/nft-workx/airdrop-nft-workx</a>
Jumptask Airdrop	10	1,000 JMPT	31 May 2022	<a href="https://www.airdropbob.com/jumtask/airdrop-jumtask">https://www.airdropbob.com/jumtask/airdrop-jumtask</a>
SXP	5,000	50,000 SXP	30 May 2022	<a href="https://solar.org/">https://solar.org/</a>
BendDAO Airdrop	whole NFT community	500.000.000 BEND (5% of the BEND total supply)	18 June 2022	<a href="https://www.airdropbob.com/benddao/airdrop-benddao">https://www.airdropbob.com/benddao/airdrop-benddao</a>



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**Official website :**

<https://research.huobi.com/>

**Consulting email:**

[research@huobi.com](mailto:research@huobi.com)

**Twitter:** @Huobi\_Research

[https://twitter.com/Huobi\\_Research](https://twitter.com/Huobi_Research)

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