

December 9th - December 15th

PERSPECTIVES by Eric F. Risley

Signal from noise is a tough problem. What matters?

One thing that certainly matters to crypto is developer activity. Electric Capital has done an outstanding job with its just-updated **Developer Report**, shedding light on the state and trends of this critically important topic. A few highlights from our read:

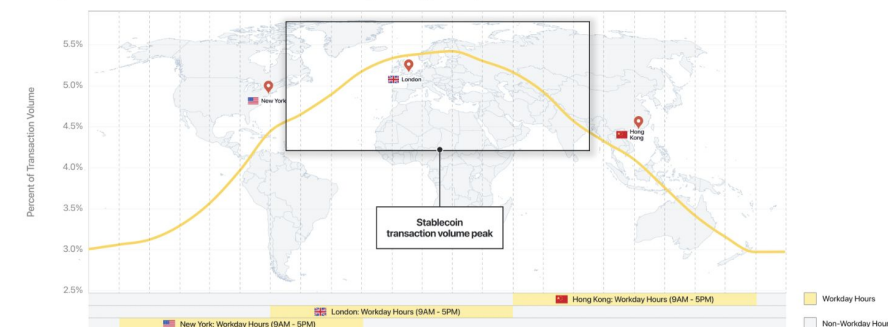
- Ethereum continues to lead in developer base (L1 and associated L2s), although it has declined by 17% in the past year.
- Solana has the strongest momentum in attracting new developers, growing its developer base by 83% in the past year.
- Active developers today total 23,613, still down from the peak in 2022, and have not yet regained upward momentum.
- North America has declined from its leadership position and is now third globally, behind Asia and Europe. Regulatory policy matters!
- Remarkably, NFT minting volume is at an all-time high, occurring mostly on Base, with most trading activity happening on Solana.
- NFT use cases are shifting from "art" toward more practical categories, such as rewards and loyalty, credentials and identity, and game assets.
- Decentralized Finance (DeFi) remains a popular development category, encompassing lending, DEXs, derivatives, stablecoins, restaking, and more. This represents the democratization of capital markets, enabling anyone globally to access and participate in a variety of low-risk and high-risk activities outside the traditional financial system.

The report features contributions from an incredible 339 collaborators—kudos for such a broad, open-source-minded effort!

We'll leave you today with our picks for the two most interesting charts in the report: (1) where stablecoin transactions are happening globally and (2) the median transaction size. As highlighted in **Stablecoins: The Emerging Market Story**, Africa may be emerging as the "cradle of real-world stablecoin usage."

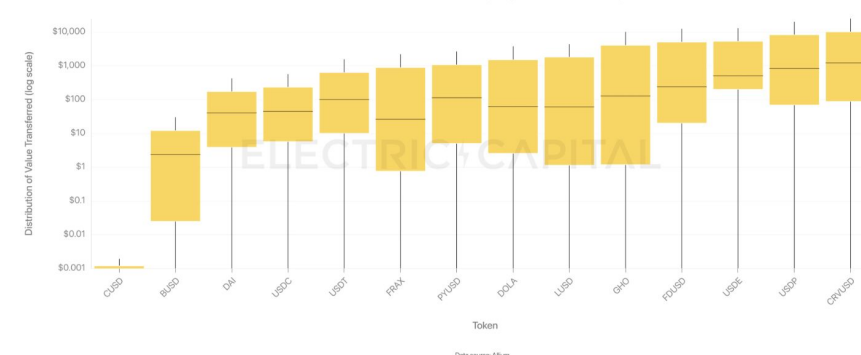
Stablecoin transaction volume peaks during European and African working hours

Hourly distribution of stablecoin transaction volume throughout a typical day



Transaction sizes are diverse; for most tokens the median is <\$100

Distribution of value transferred in stablecoin transactions for different tokens (Aug 1 to Oct 31 2024)

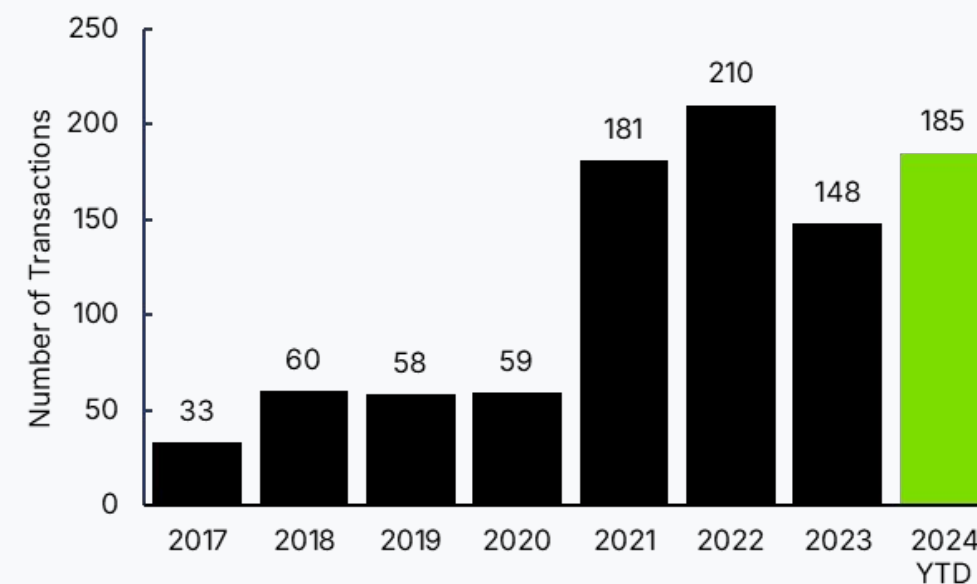


RECENT CRYPTO M&A TRANSACTIONS (click here for full AP M&A Tracker)

Target	Acquirer	Transaction Summary	M&A Alert
		Transaction Value: \$2.0M Rationale: Asset divestiture Sector: Mining & Staking Target Description: Operator of a cryptomining farm	○
		Transaction Value: ND Rationale: Complementary technology / product expansion through the addition of digital currency cashflow services Sector: Investing & Trading Infrastructure Target Description: Cryptocurrency platform where users stake, trade, and earn rewards	○
		Transaction Value: ND Rationale: Capability expansion into institutional-grade yield opportunities Sector: Mining & Staking Target Description: Provider of institutional staking operations based out of Zurich	○
		Transaction Value: ND Rationale: Technology acquisition Sector: Blockchains & Protocols Target Description: Developer of data architecture and quantization mechanisms intended for decentralized systems	○
		Transaction Value: ND Rationale: To open new fronts in the development of DeFi solutions and financial products ahead of the arrival of Drex Sector: Investing & Trading Infrastructure Target Description: Investment firm specializing in early-stage technology companies in blockchain and crypto	○
		Transaction Value: ND Rationale: Acquisition of engineering, product innovation and strategic expertise for the Cosmos Hub Sector: Investing & Trading Infrastructure Target Description: operator of a sealed-bid closed auction system for optimized transactions and financial stability	○
		Transaction Value: ND Rationale: Acquisition of product, team and regulatory licenses Sector: Investing & Trading Infrastructure Target Description: Financial platform focused on the tokenization of traditional stocks	○
		Transaction Value: ND Rationale: Enhances user privacy through integration of Slise's onchain data-powered advertising platform Sector: Data & Data Analytics Target Description: Web3 platform designed for businesses to manage advertising data	○
		Transaction Value: ND Rationale: Enhances blockchain innovation while significantly expanding its footprint Sector: Blockchains & Protocols Target Description: Developer of blockchain platforms enabling cryptocurrency payments and token management	○

OVERALL CRYPTO M&A ACTIVITY LEVELS

Past Eight Years



Past 52 Weeks

