

 Syndica

Deep Dive: Solana DeFi

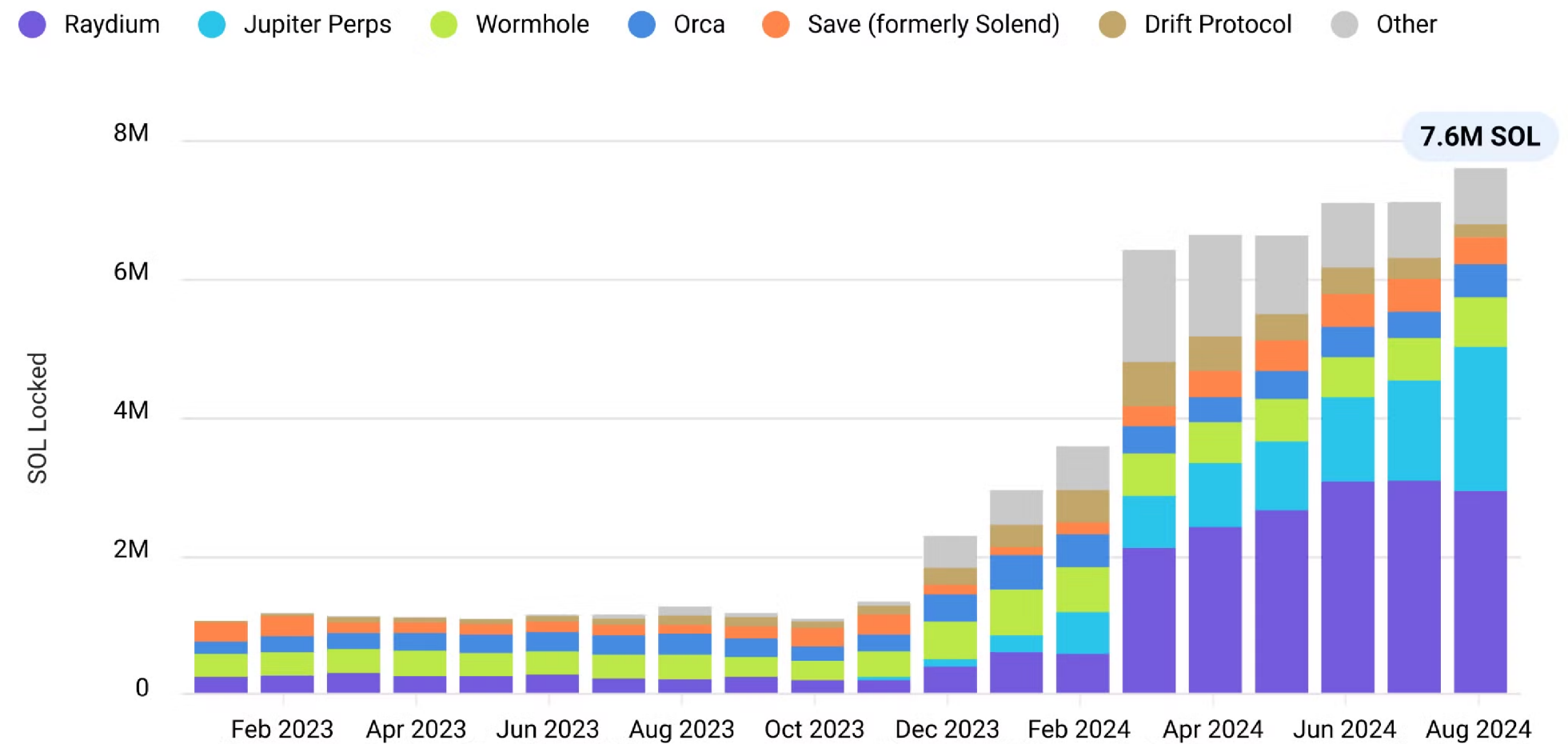
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SOL locked in DeFi protocols reached an ATH of 7.6M.

Raydium commands the highest amount of SOL locked among DeFi protocols, with Jupiter Perps a close second.

SOL Locked in DeFi (Excl. Liquid Staking) By Protocol



Note: DeFi protocols included are limited to Raydium, Jupiter, Wormhole, Orca, Meteora, Save (formerly Solend), Drift, Kamino Finance, and marginfi.

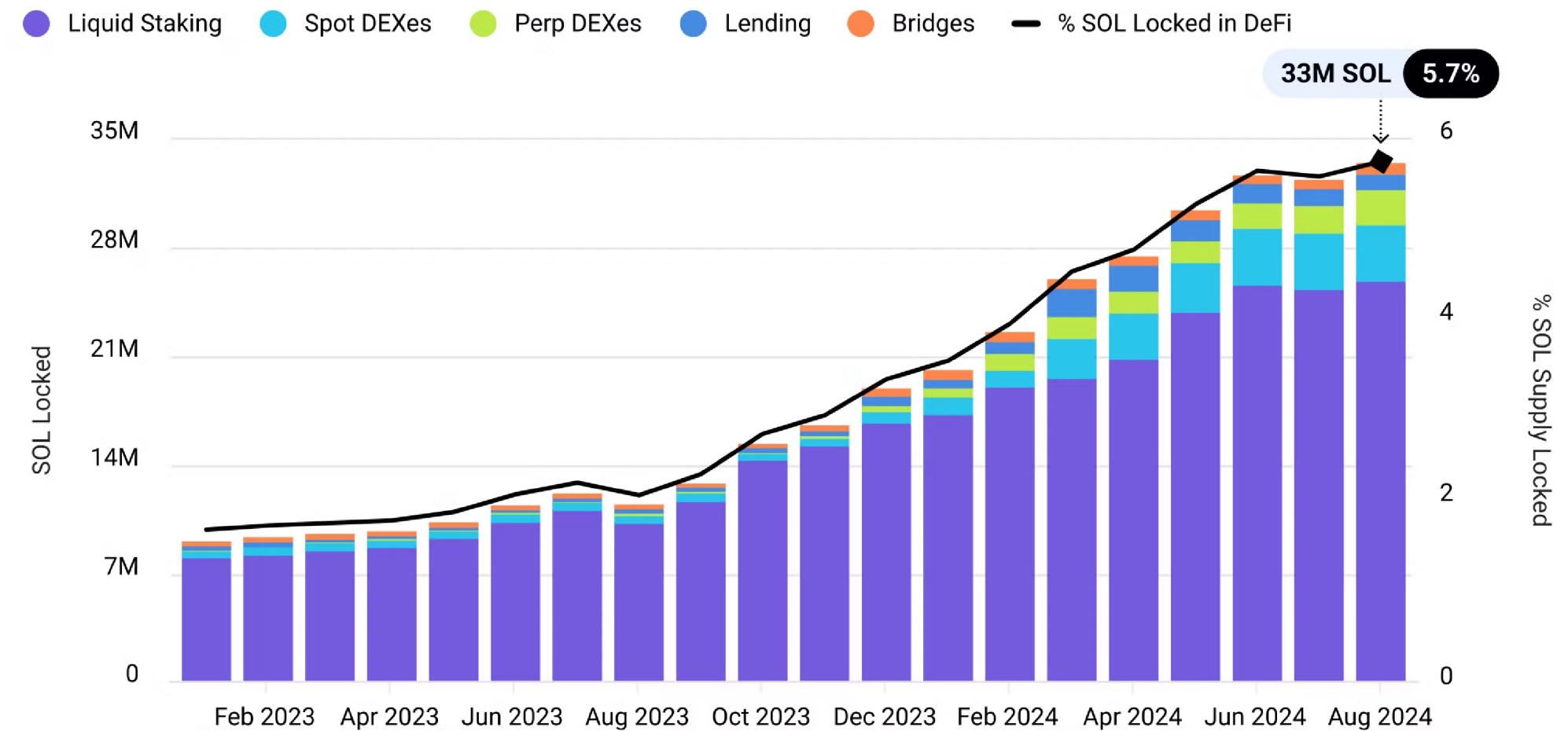
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Including liquid staking, SOL locked in DeFi hit an ATH of 33M.

Currently, 5.7% of the entire SOL supply is locked in DeFi.

SOL Locked in DeFi (Incl. Liquid Staking)

By DeFi Sectors



Note: DeFi protocols included are limited to Raydium, Jupiter, Wormhole, Orca, Meteora, Save (formerly Solend), Drift, Kamino Finance, and marginfi.

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Part I

Spot and Perp DEXes

//August 2024

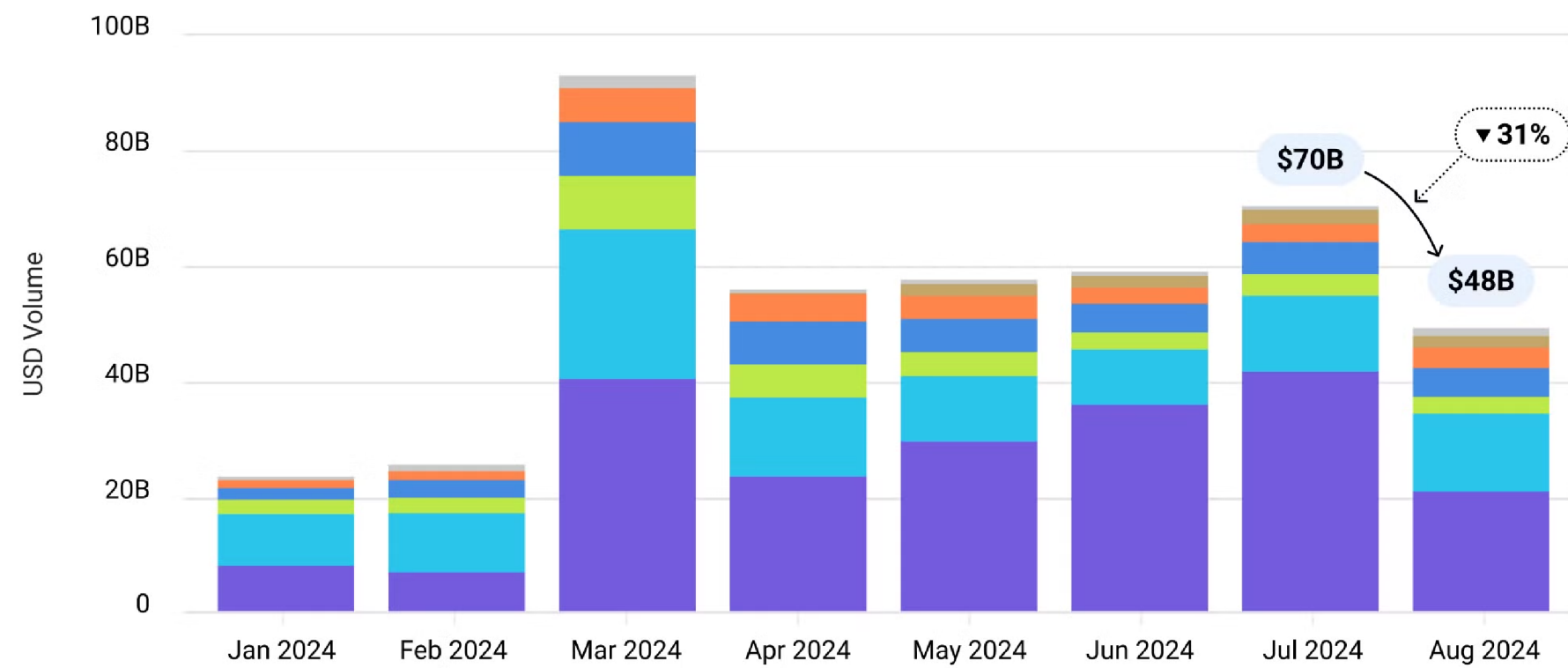


The DEX market cooled in August.

DEX volume has declined by 31% to settle at \$48B.

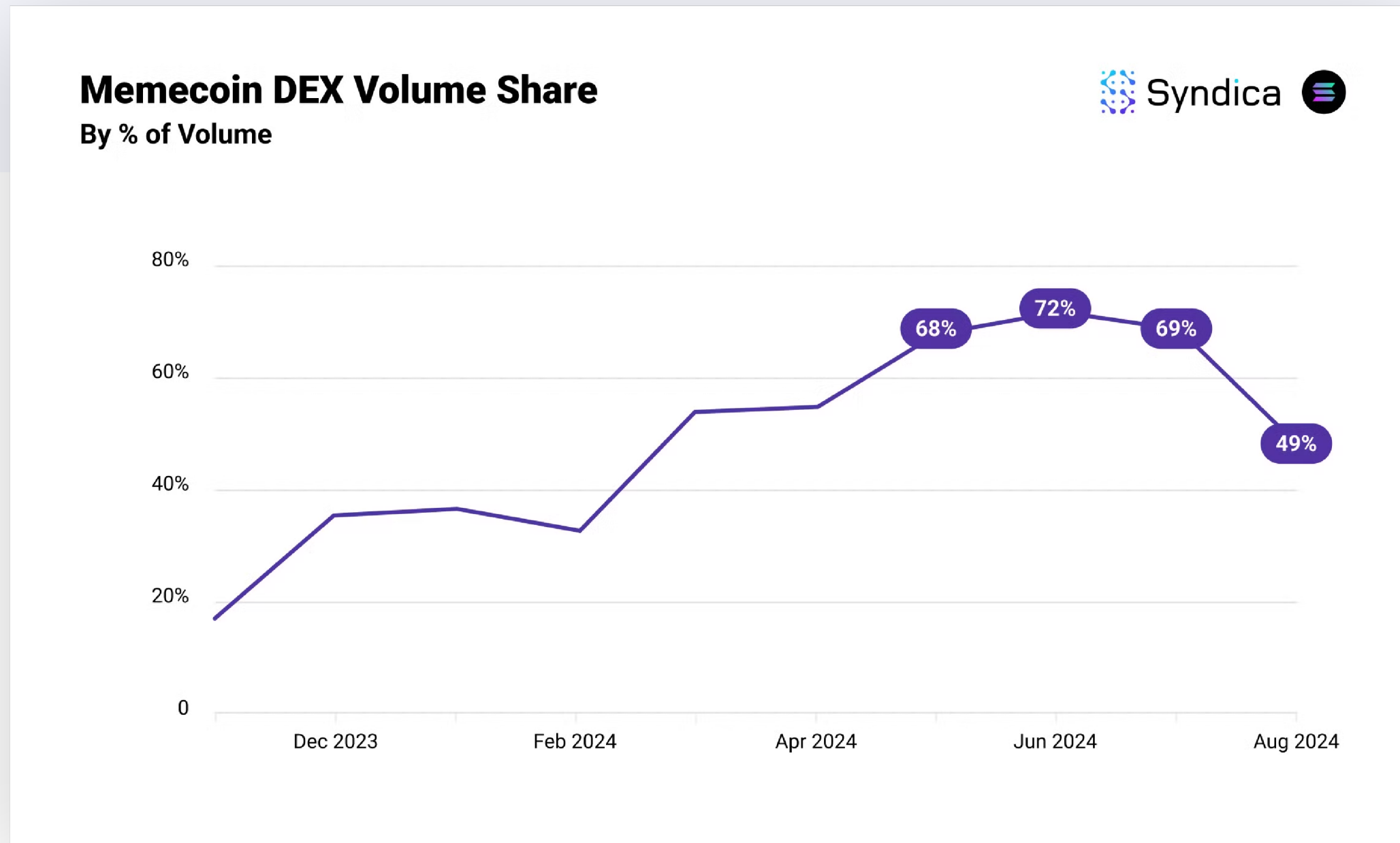
DEX Volume By Platform

● Raydium ● Orca ● Lifinity ● Meteora ● Phoenix Trade ● Pump.fun ● Other



Interest in memecoins tapered.

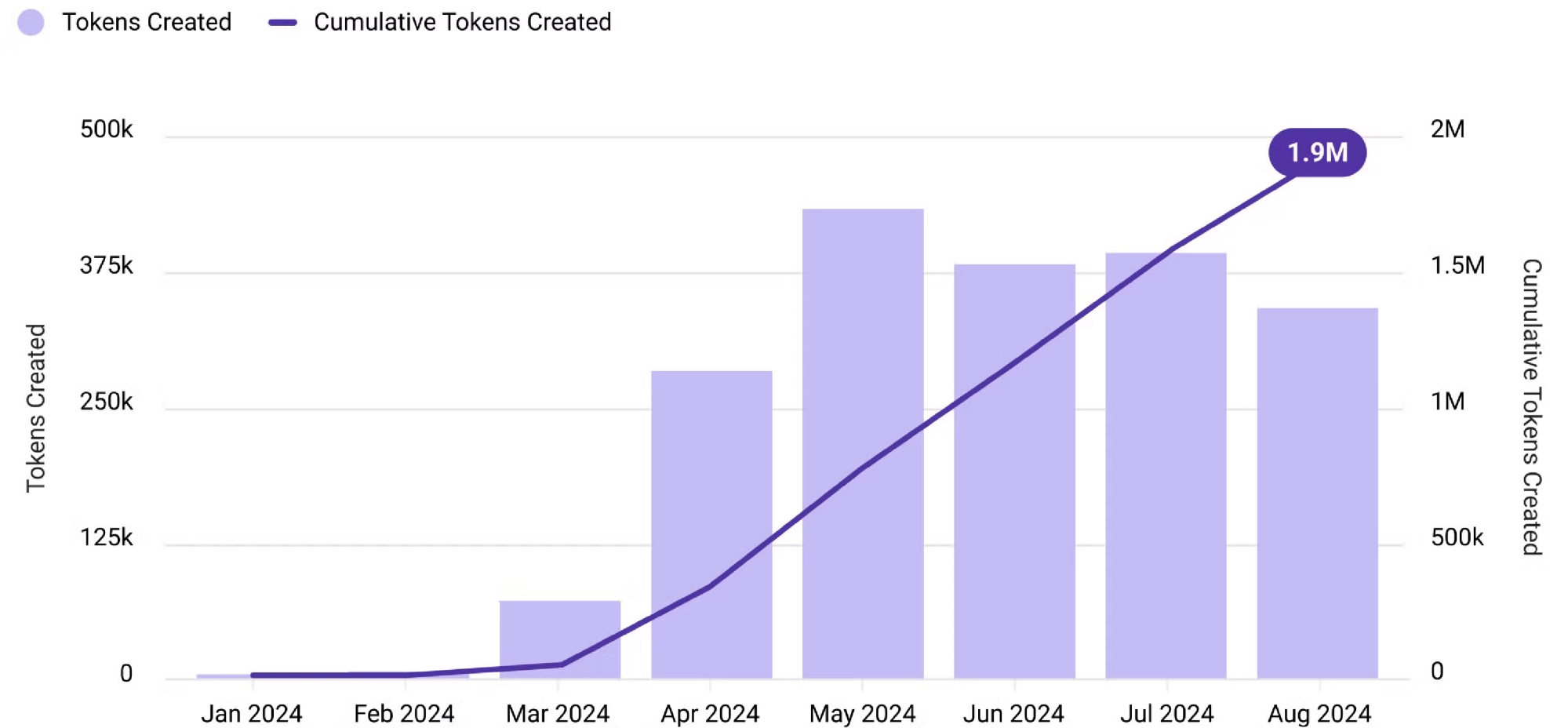
Memecoins, which previously dominated spot DEX volume, now account for a little under half of all DEX volumes.



The memecoin market is showing signs of exhaustion.

To date, 1.92M cumulative unique memecoins have been launched on Pump.fun, with the rate of new token creation cooling from the May high.

Pump.fun Tokens Created By Month

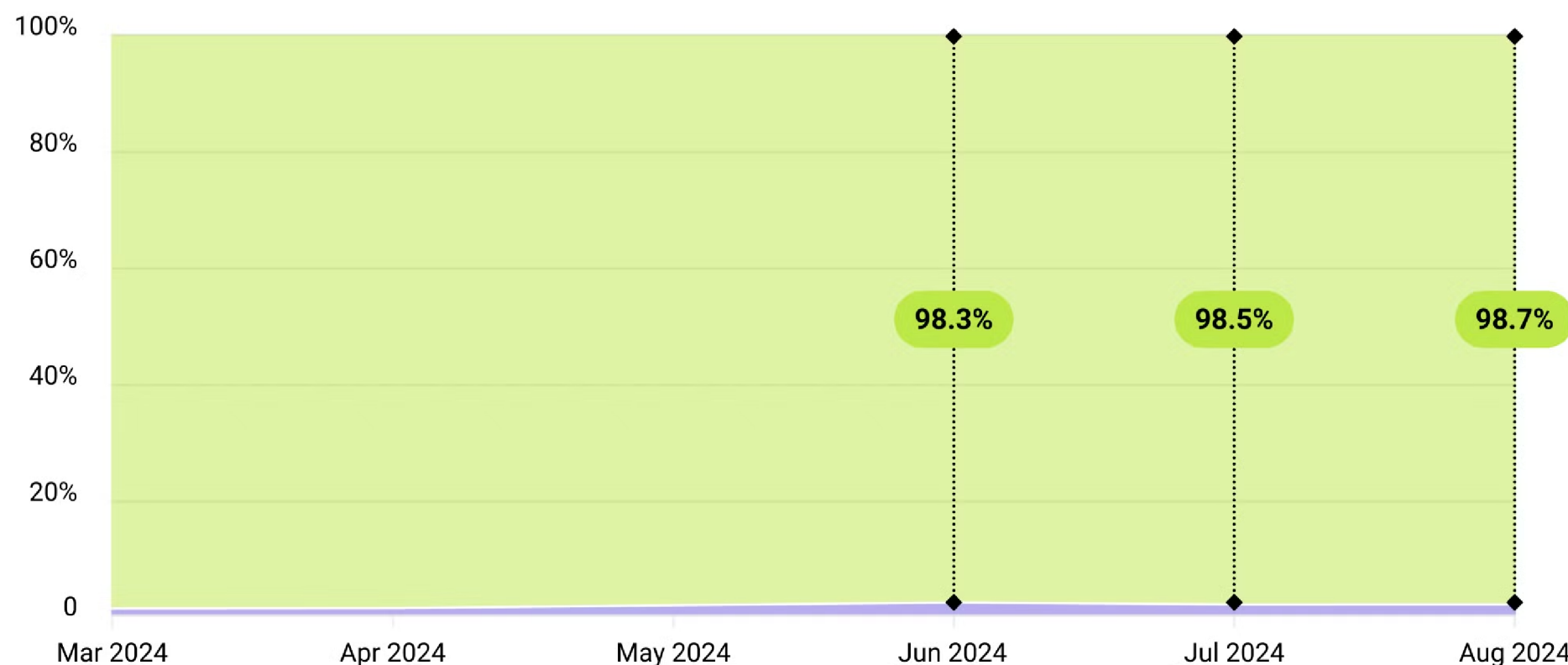


About 99% of the memecoins launched on Pump.fun fail to reach Raydium.

Despite new memecoin launches each month, very few achieve the \$69k market cap required for "graduation" & listing on Raydium.

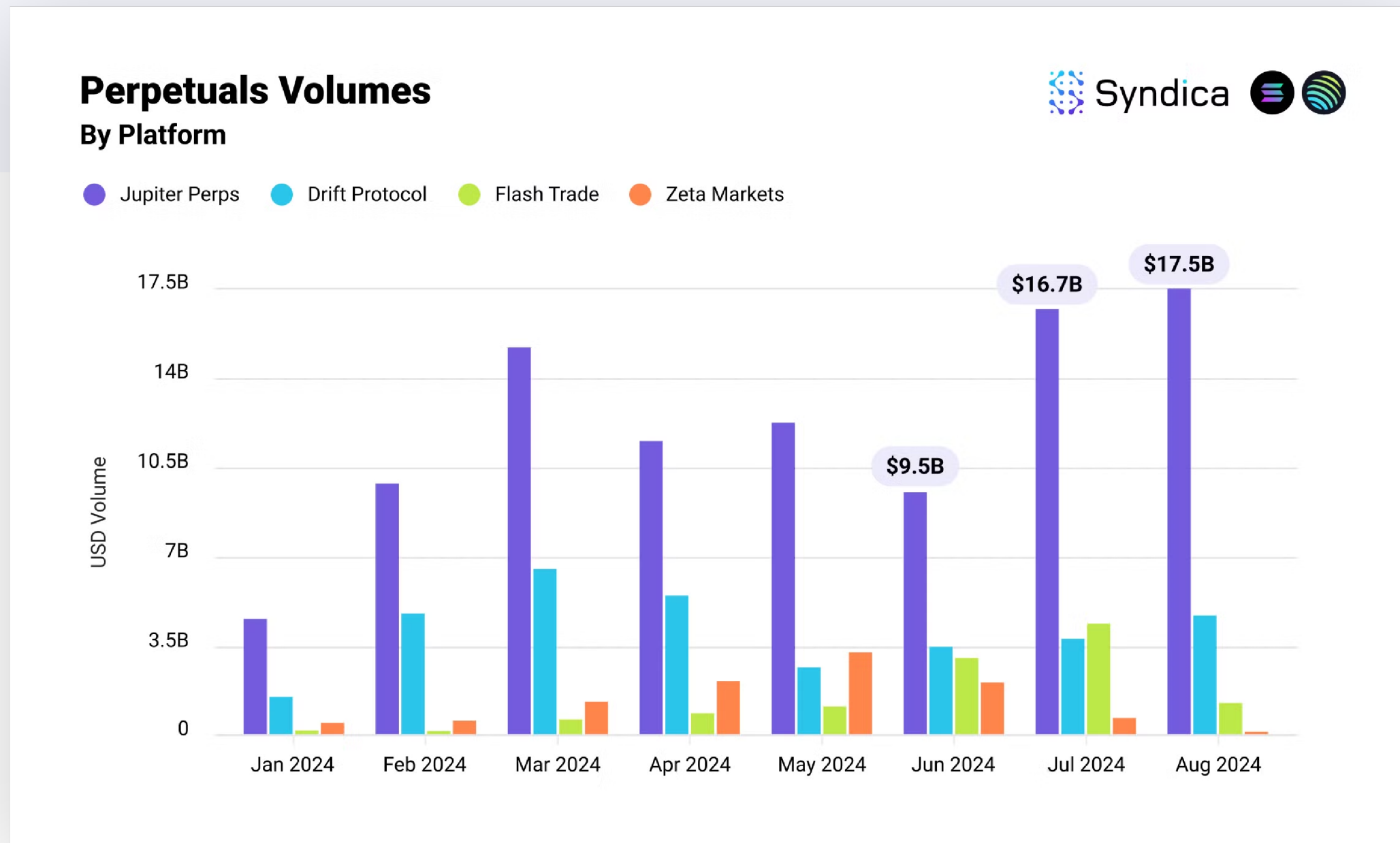
Pump.fun Graduation Rate By % of Memecoins

 % Graduated  % Failed to Graduate



Jupiter Perps' volume reached a new ATH of \$17.5B.

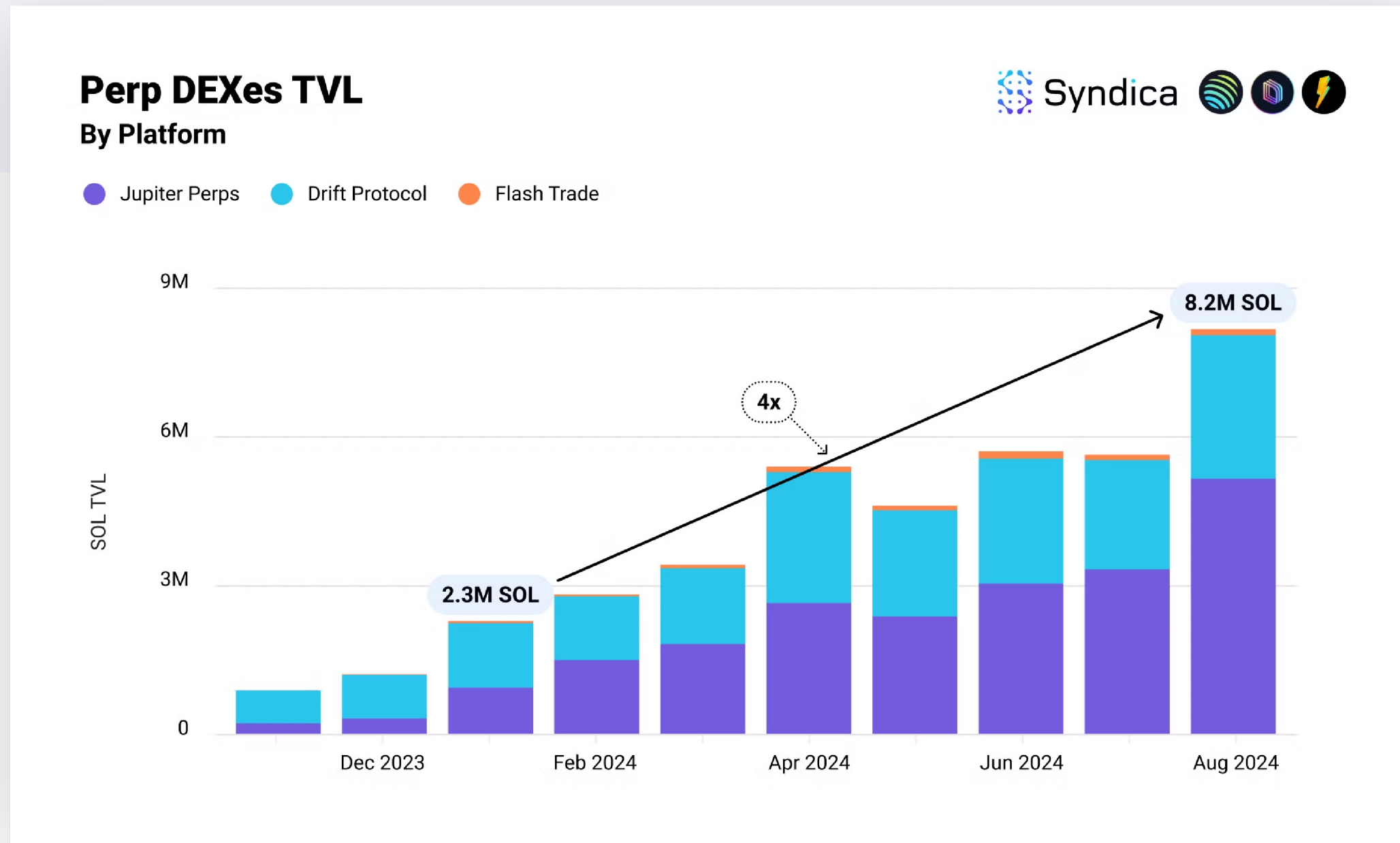
The protocol has adjusted its fees to remain competitive with CEXes.



Note: Analysis is limited to the top four perps platforms by volume.

Perp DEXes are growing at a blistering pace.

TVL on perp DEXes has also reached a new ATH of 8.2M SOL, growing almost 4x since January.



Note: Analysis is limited to the top three perps platforms by TVL.

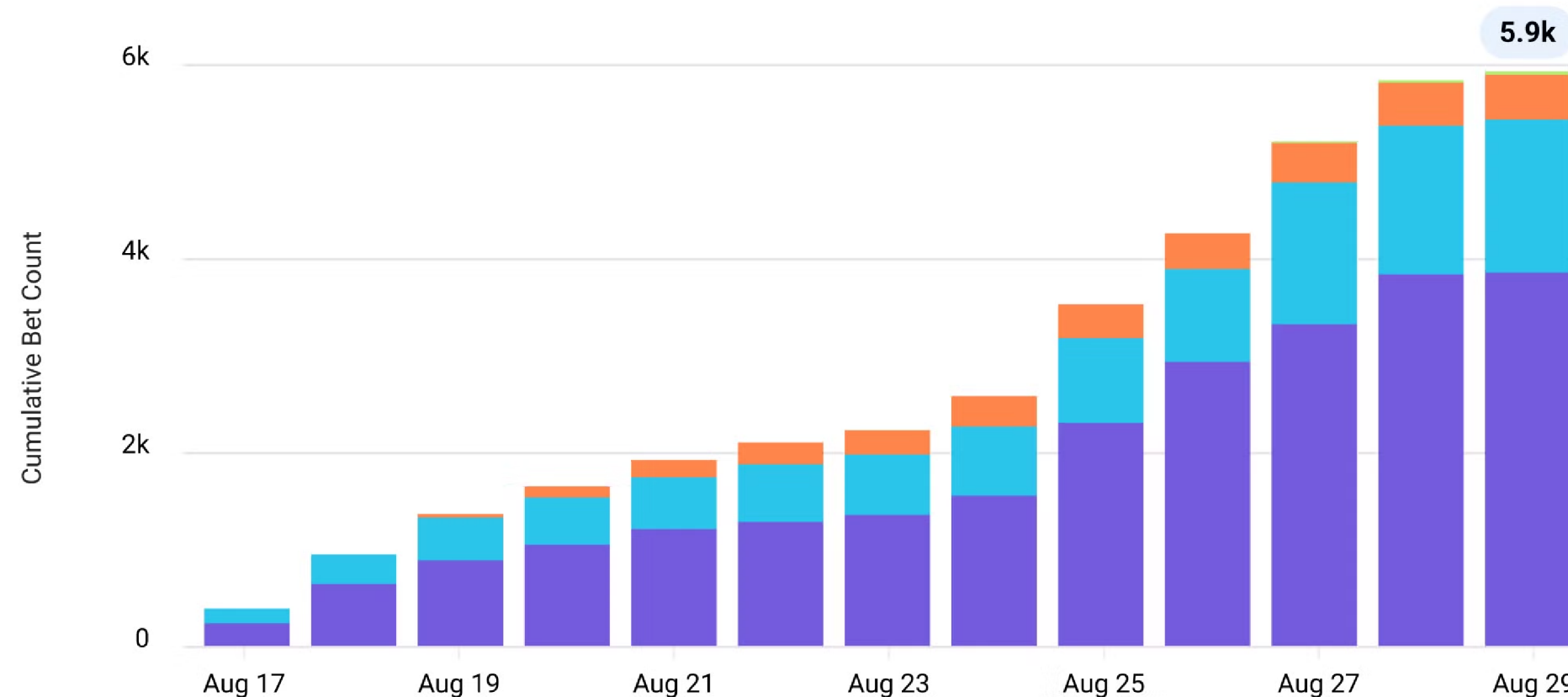
Drift's BET prediction market has already shown signs of PMF.

Launched on August 19th, the new betting platform saw nearly 6k bets placed in its first two weeks.

The most active market focuses on whether Trump will win the 2024 US Presidential Election.

Cumulative Bet Count on Drift's BET By Day

● Trump Presidential Election Win ● Kamala Popular Vote Win ● Fed Rate Cut Sep 2024 ● Republican Popular and Win



Note: The source code of this analysis is from @bigz on Dune Analytics.

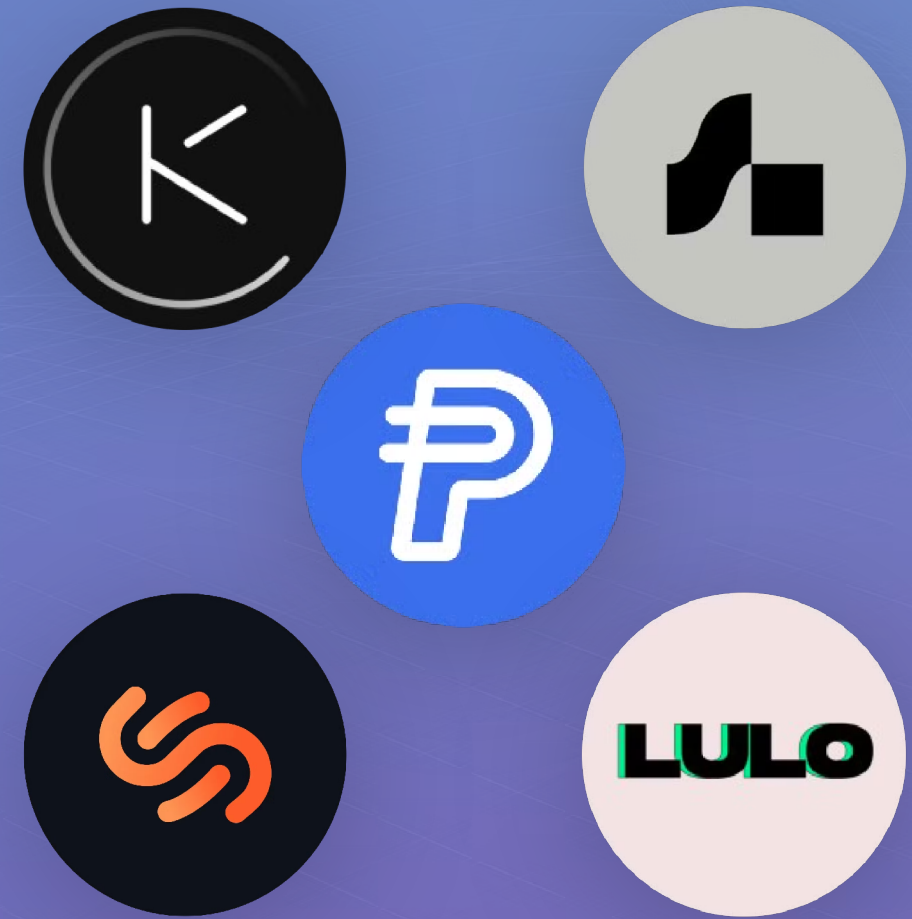
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Part II

Lending and Stablecoins

//August 2024

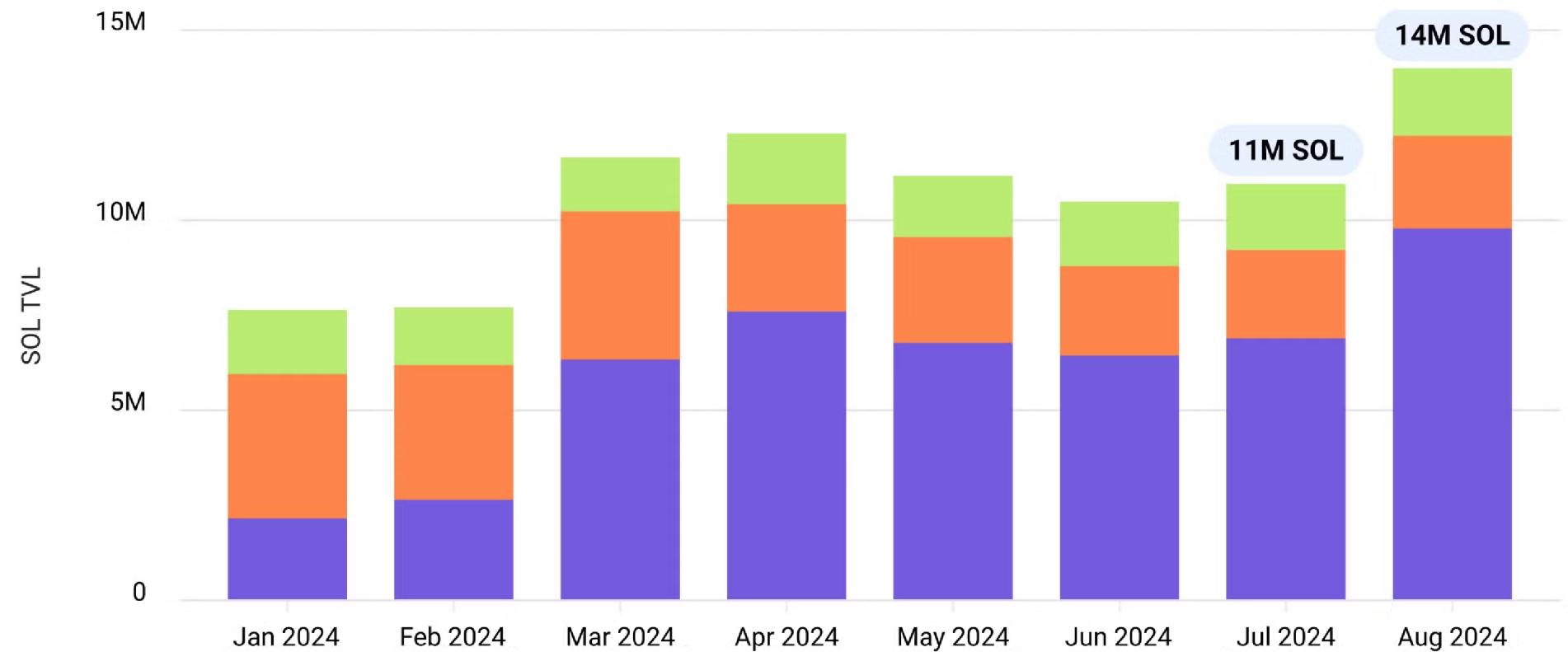


Lending TVL reached a new ATH of 14M SOL.

TVL broke through a 5-month stagnation period with a surge from Kamino Finance.

Lending TVL By Platform

 Kamino Finance  marginfi  Save (formerly Solend)



Note: Lending protocols examined are limited to Kamino Finance, marginfi and Save (formerly Solend).

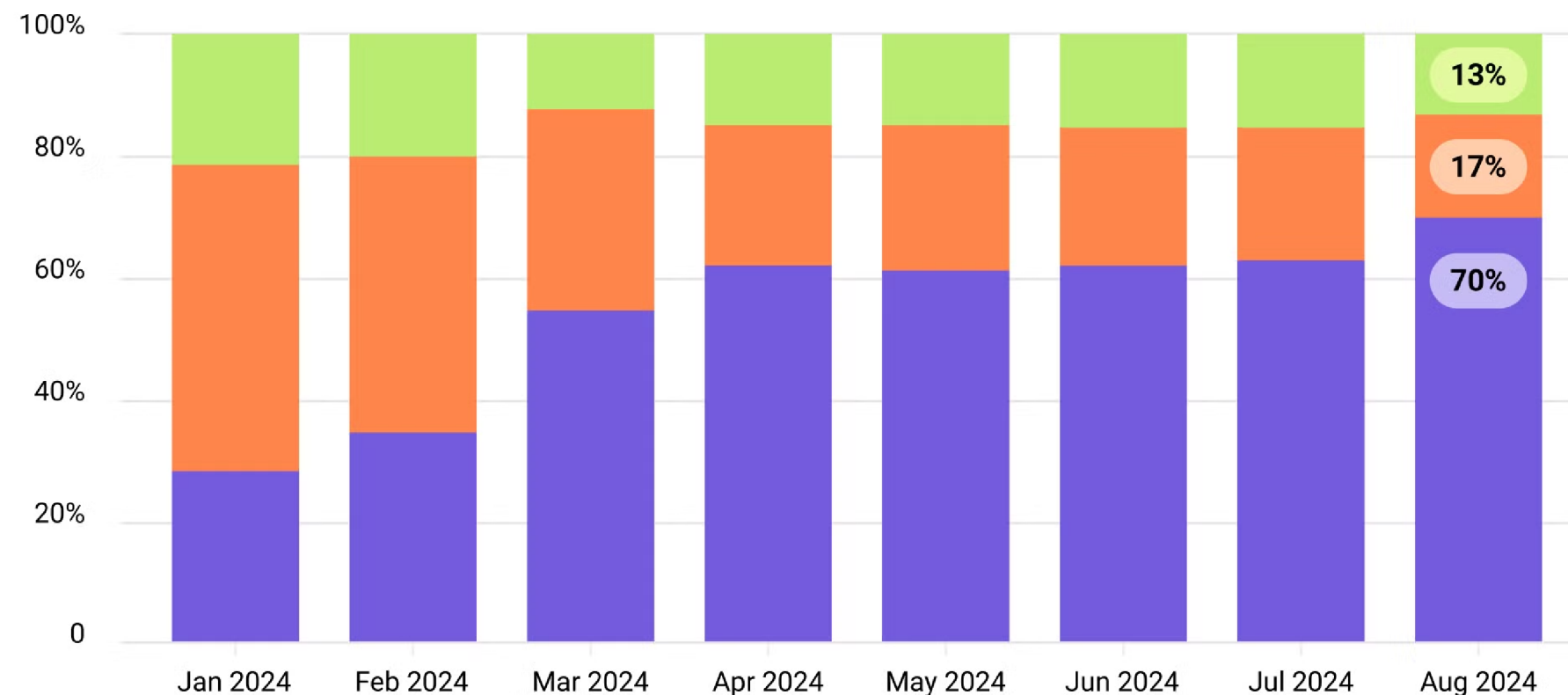
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Kamino Finance has continued to dominate Solana lending.

The protocol commands over two-thirds of overall lending TVL share.

Lending TVL Share By % of Lending TVL

 Kamino Finance  marginfi  Save (formerly Solend)



Note: Lending protocols examined are limited to Kamino Finance, marginfi and Save (formerly Solend).

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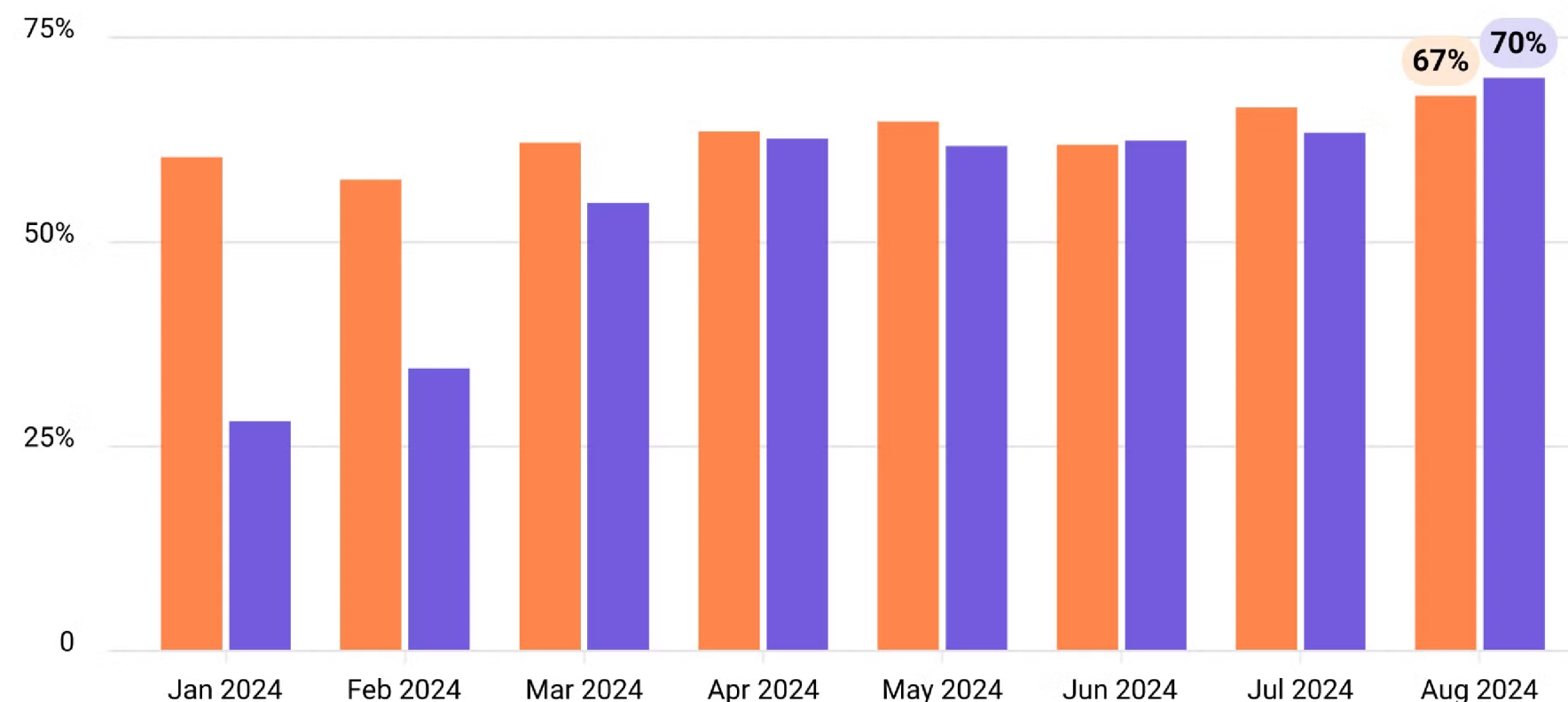
The lending market follows a 'winner-takes-most' dynamic.

Both Aave and Kamino Finance command over two-thirds of the lending TVL share on their respective blockchains.

Benefiting from a network effect, higher TVL makes platforms appear safer, thus attracting more users and deposits.

Aave (ETH) vs. Kamino Finance (SOL): Lending TVL Share
By % of Total Lending TVL on Respective Blockchain

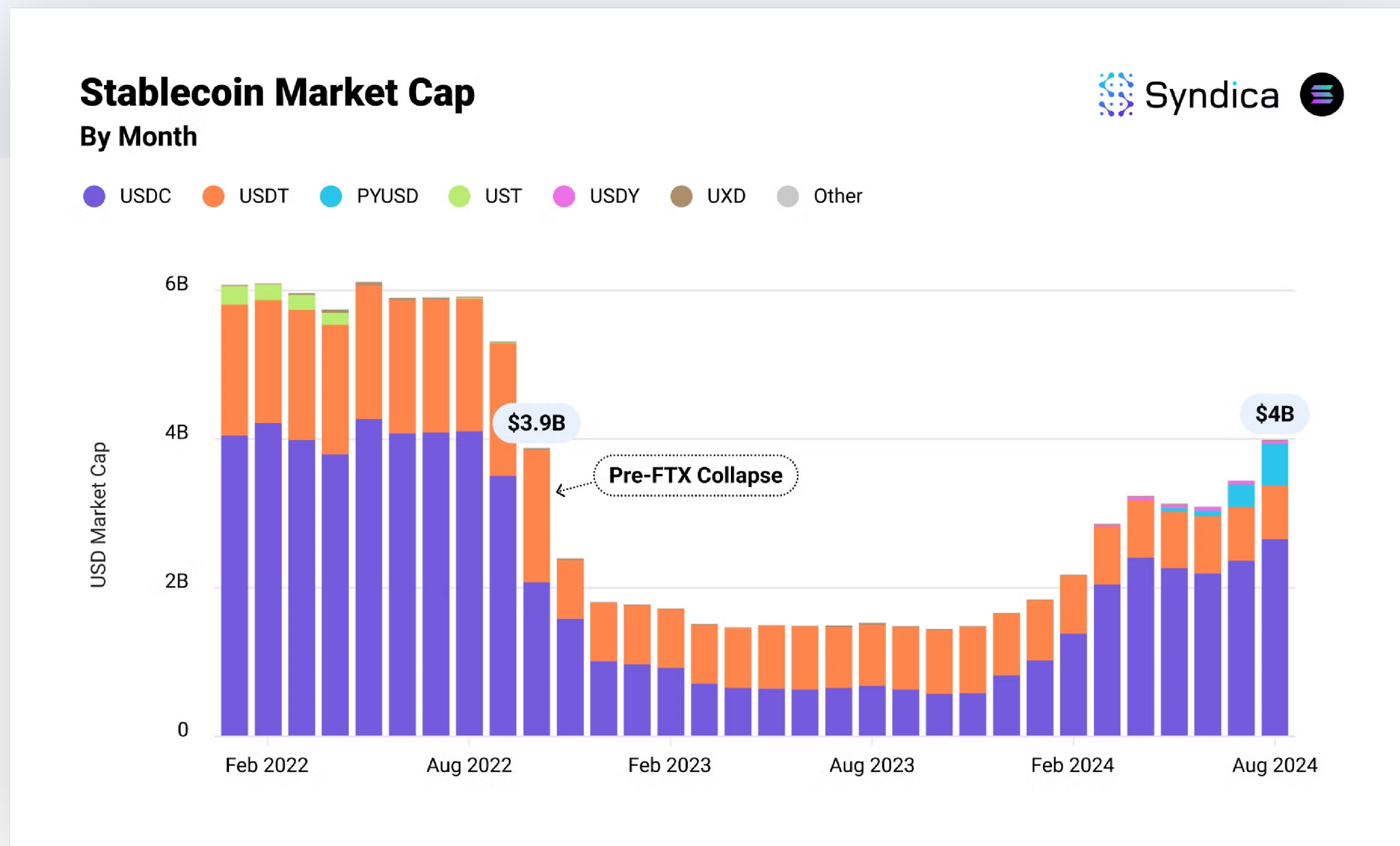
● Aave ● Kamino Finance



Note: Solana lending protocols examined are limited to Kamino Finance, marginfi and Save (formerly Solend), while Ethereum lending protocols examined are limited to Aave, Compound, Morpho Blue, and Spark.

Solana stablecoin market cap has returned to pre-FTX levels.

Stablecoin adoption has steadily increased throughout 2024, completing a resurgence two years in the making.

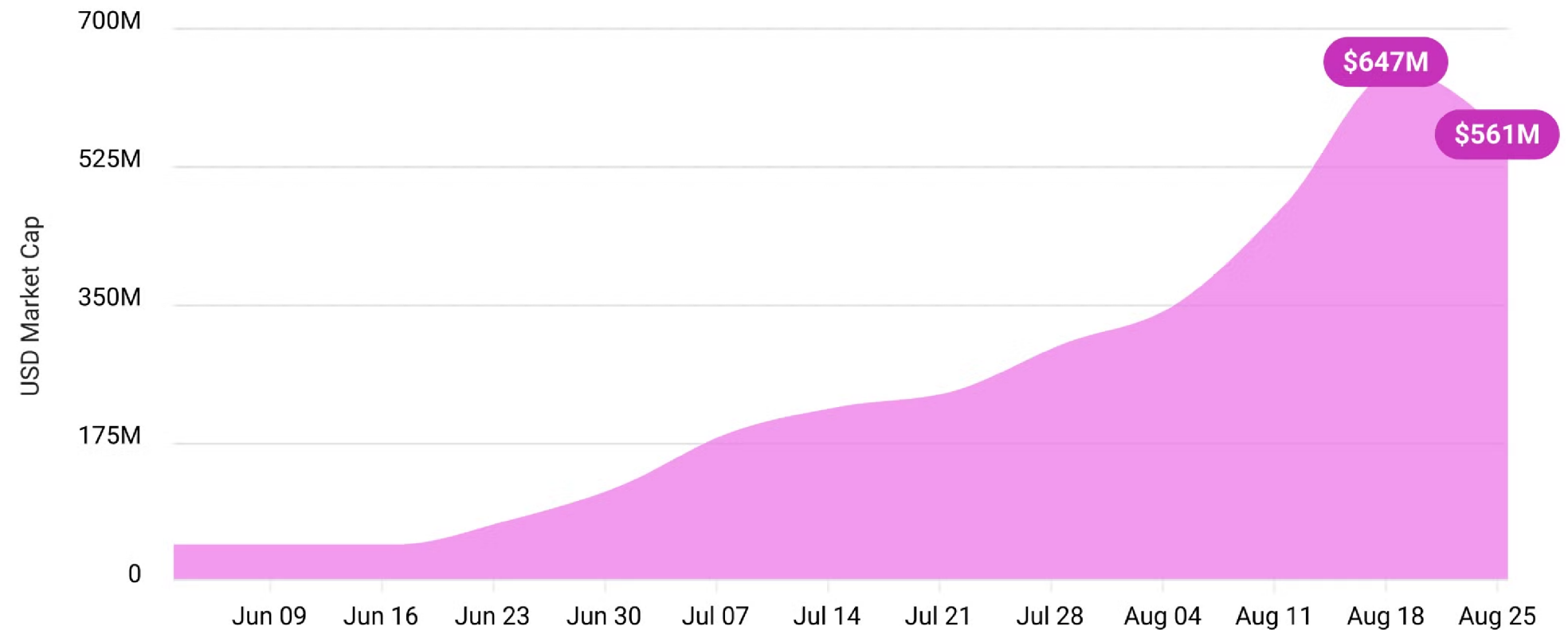


PYUSD experienced its first pullback.

Market cap peaked at \$647M before experiencing its first notable drawdown to \$561M.

This can be attributed to a decline in PYUSD incentives across various DeFi protocols.

PYUSD Market Cap
By Week

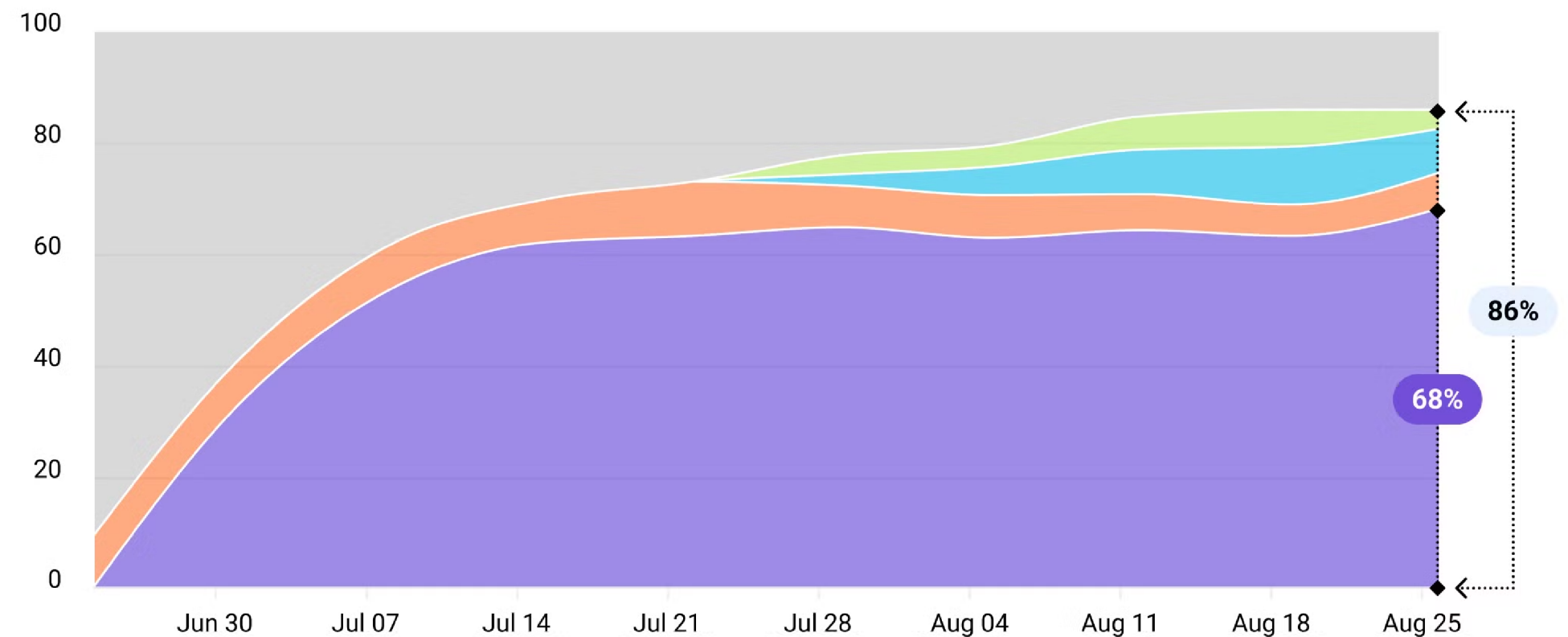


Orca, Drift, and marginfi have emerged to capture more PYUSD supply distribution.

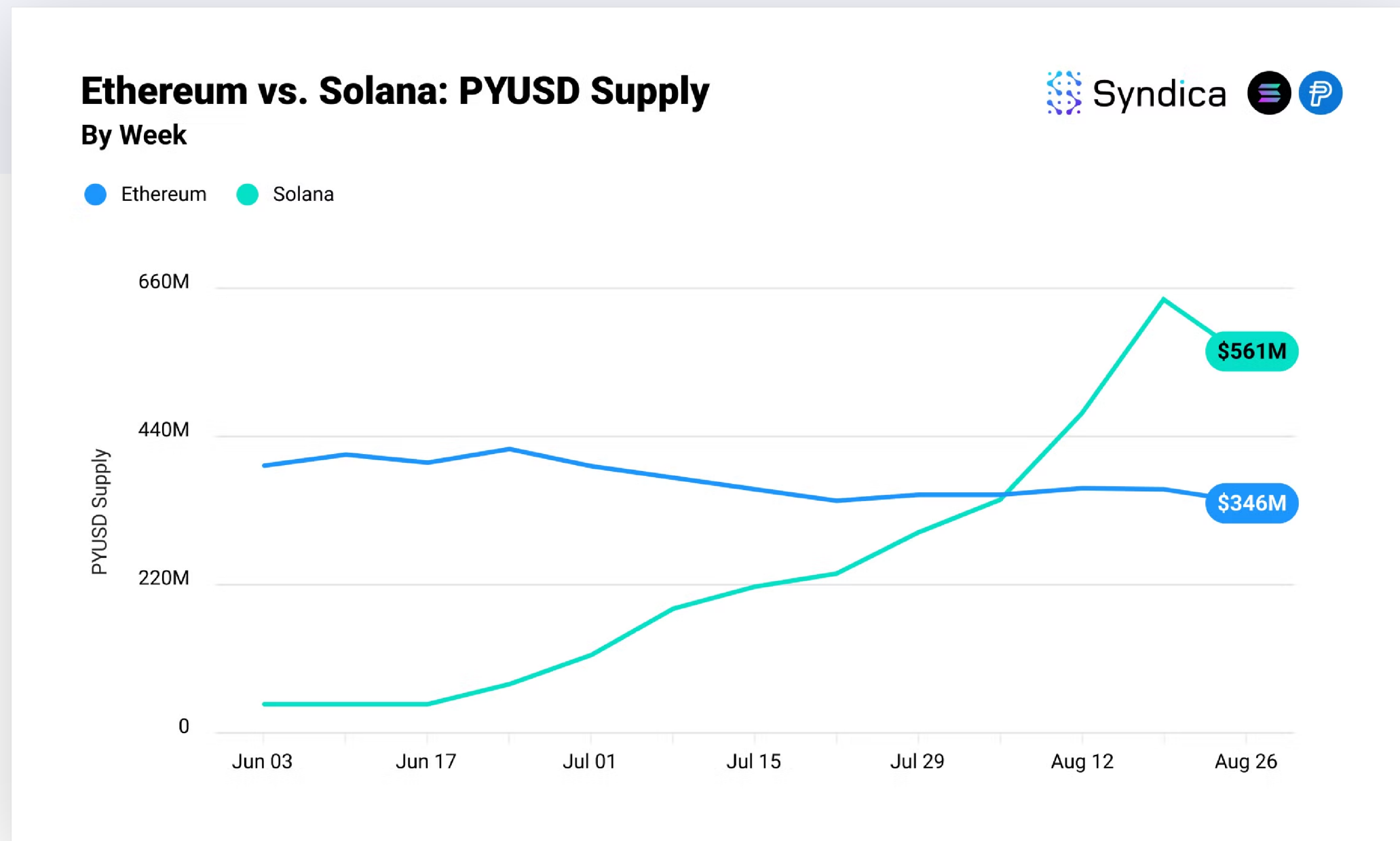
86% of PYUSD is held in DeFi protocols, with Kamino Finance still commanding 68% of all PYUSD supply.

PYUSD Distribution By % of PYUSD Supply

 Kamino Finance  Orca  Drift  marginfi  PYUSD Circulating



Solana's PYUSD supply now exceeds its Ethereum counterpart.



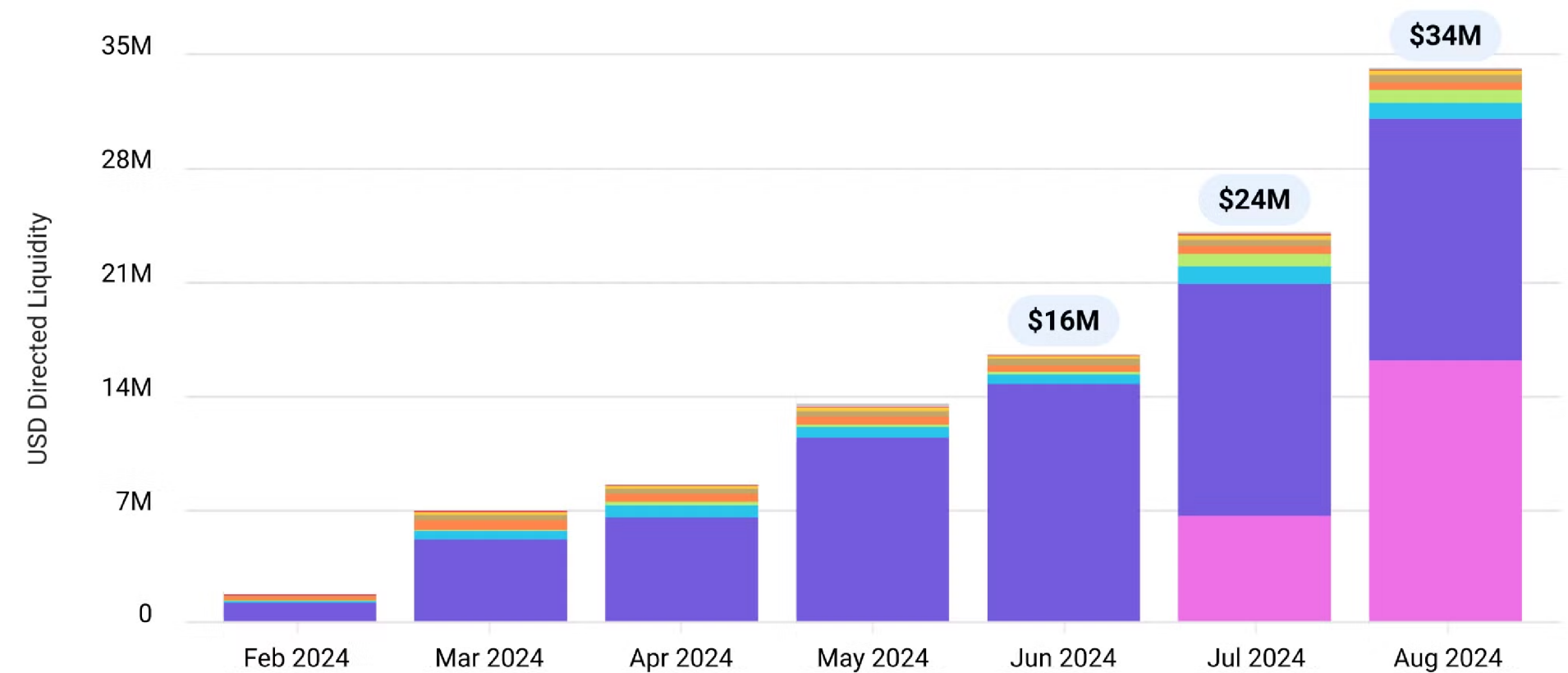
Lulo's directed liquidity hit a new ATH.

MoM growth continues to skyrocket for Lulo's directed liquidity, hitting \$34M.

PYUSD became the most directed asset on the platform, surpassing USDC.

Directed Liquidity through Lulo By Month

● PYUSD
 ● USDC
 ● SOL
 ● jitoSOL
 ● JUP
 ● USDT
 ● bSOL
 ● mSOL
 ● Other





Part III

Liquid Staking

//August 2024





Sanctum LSTs pushed liquid-staking TVL past the 25M SOL mark.

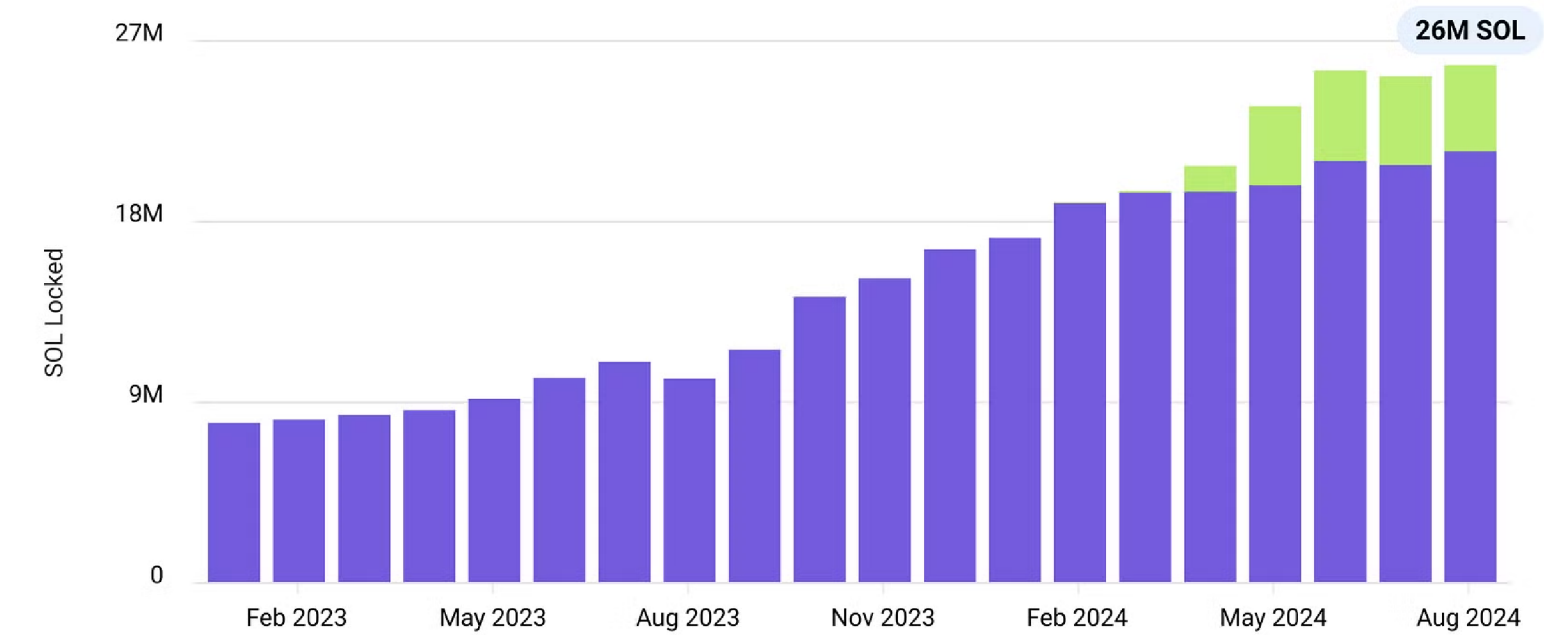
17% of the total liquid staking TVL is comprised of Sanctum LSTs.

Keep an eye on this figure as Tier-1 CEXes like Binance and Bybit launch their own Sanctum LSTs.

Liquid Staking TVL By LST Type



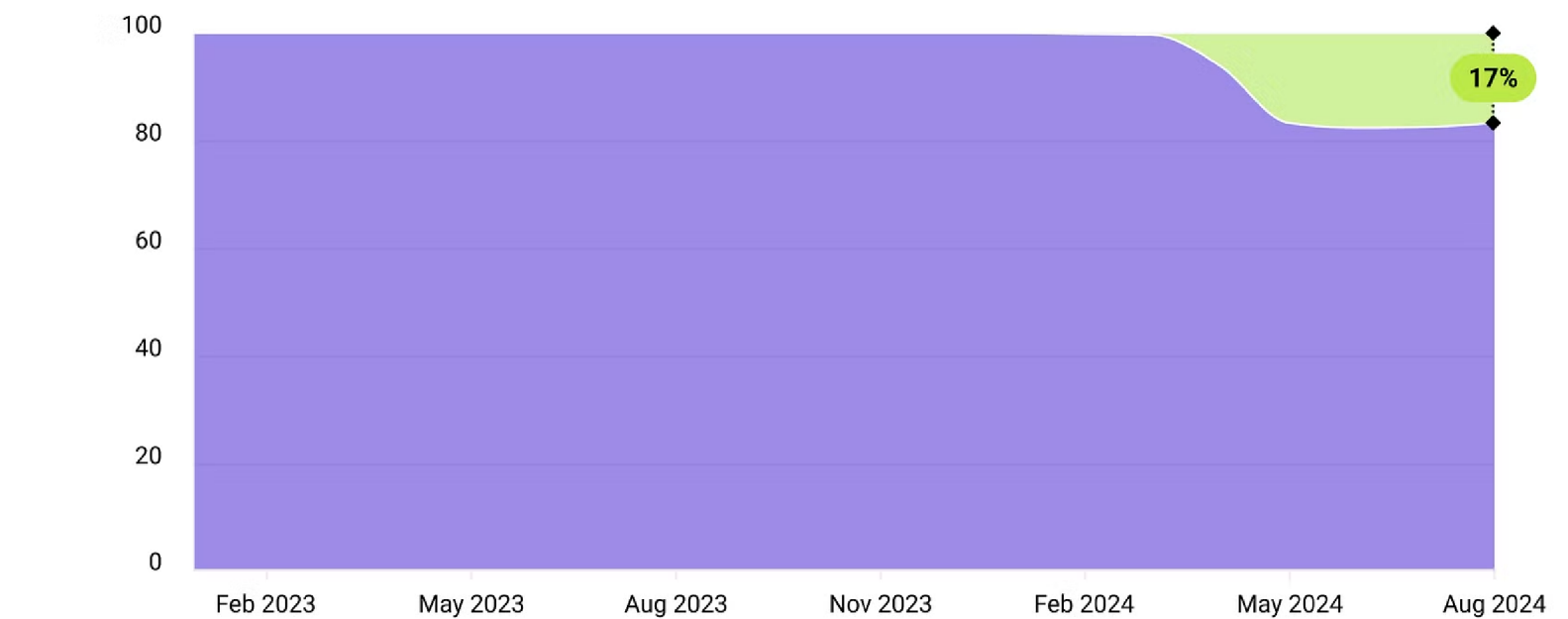
Other LST Sanctum LST



Liquid Staking TVL Share By % of SOL Locked



Other LST Sanctum LST





Part IV

Projects to Watch

//August 2024



Projects to Watch



Renzo

***Ethereum Liquid
Restaking Platform
Expanding to Solana***

Introduces its liquid restaking token, ezSOL, on Solana in partnership with Jito Network



The Vault

***First On-Chain
Points Program***

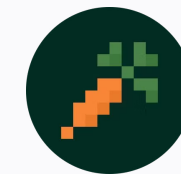
Introduces "Vault Points" for vSOL stakers, establishing a fully integrated points program on-chain



Pathfinders

First LST-Backed NFT

Redefines NFTs: Each Pathfinder NFT is backed by 2 pathSOL LSTs, allowing minters to recoup their funds at any time and making it unruggable



Carrot

Hold-To-Earn

Simplifies yield earnings for stablecoins by requiring users to hold just one token: CRT