

 Syndica

Deep Dive: Solana DeFi

//September 2024



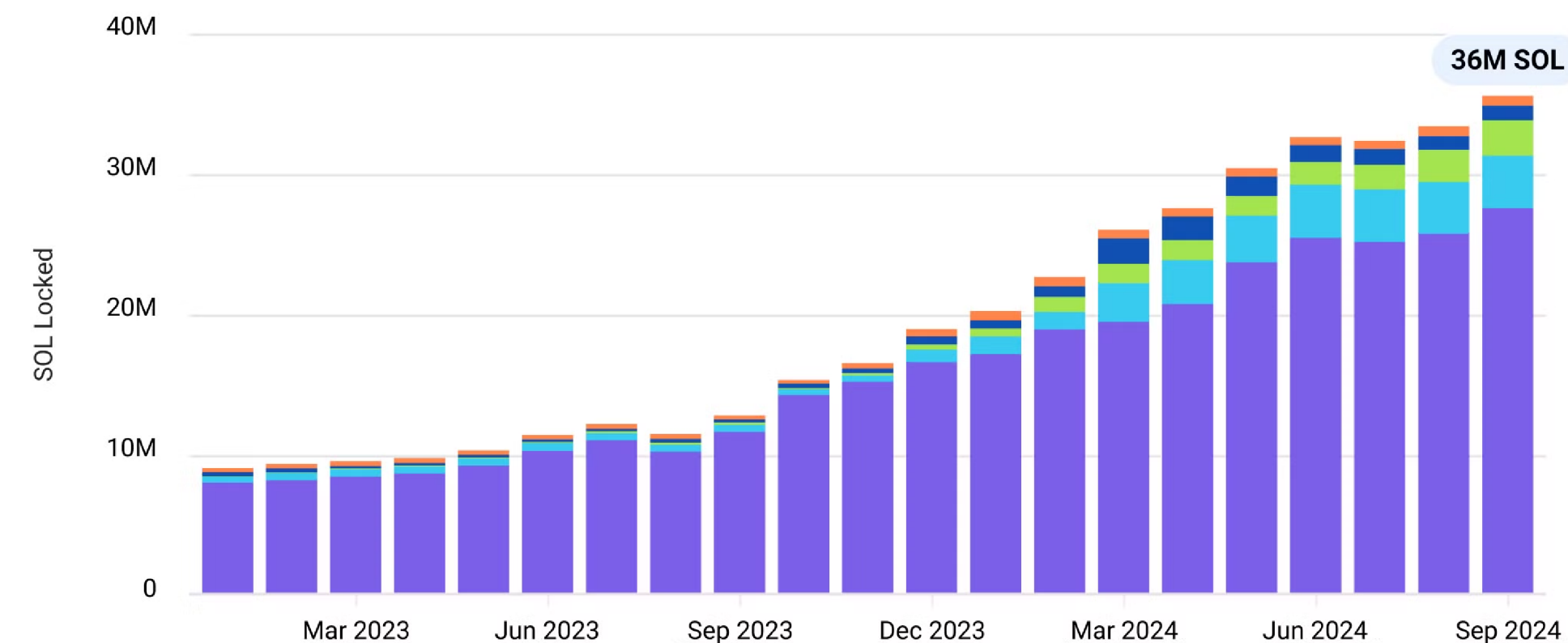
SOL locked in DeFi has reached a new ATH of 36M.

High levels of locked SOL suggest a thriving ecosystem, as holders actively participate in DeFi protocols.

SOL Locked in DeFi (Incl. Liquid Staking)

By DeFi Sectors

Liquid Staking Spot DEXes Perp DEXes Lending Protocols Bridges



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

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DEXes have become a black hole for SOL within DeFi.

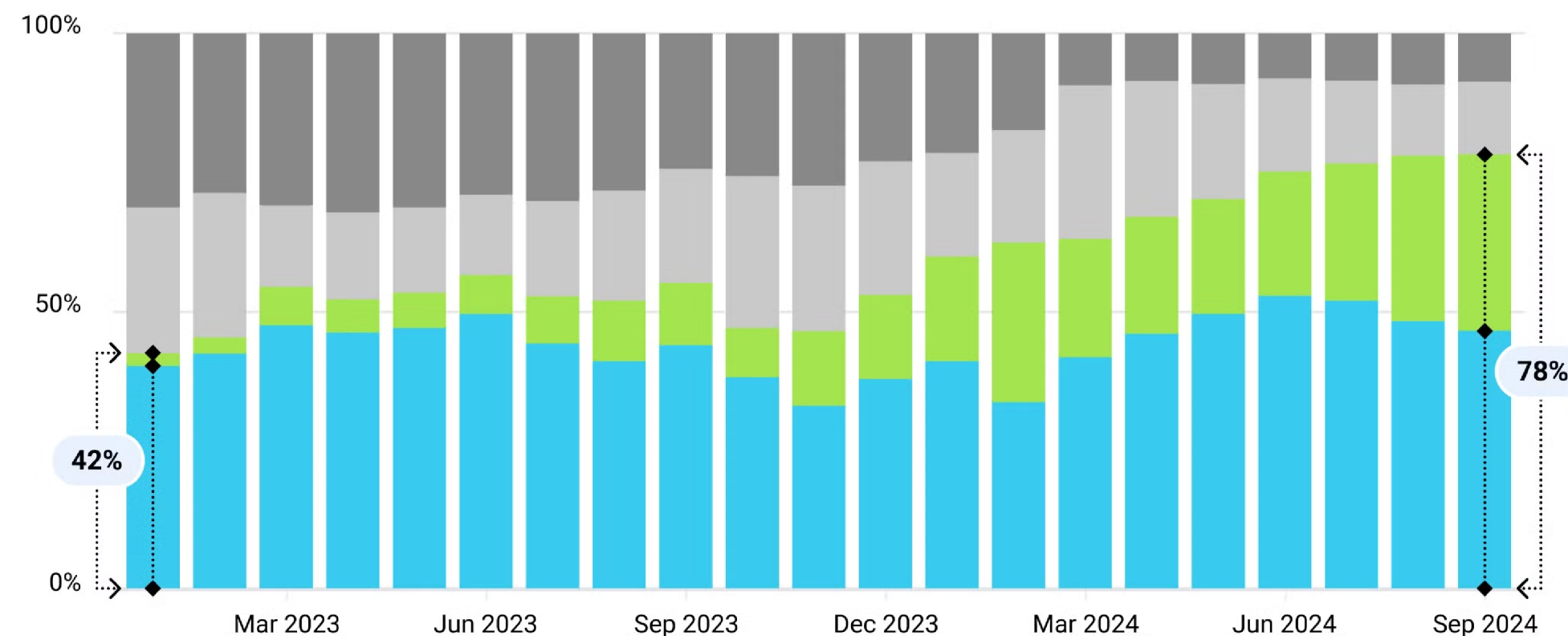
SOL locked in DEXes has flipped lending and bridges, inverting the dynamic seen at the start of the year.

Excluding liquid staking, 78% of SOL locked in DeFi protocols is allocated to spot and perp DEXes.

SOL Locked in DeFi (Excl. Liquid Staking)

By % of SOL Locked

Spot DEXes Perp DEXes Lending Protocols Bridges



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

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Part I

Liquid Staking

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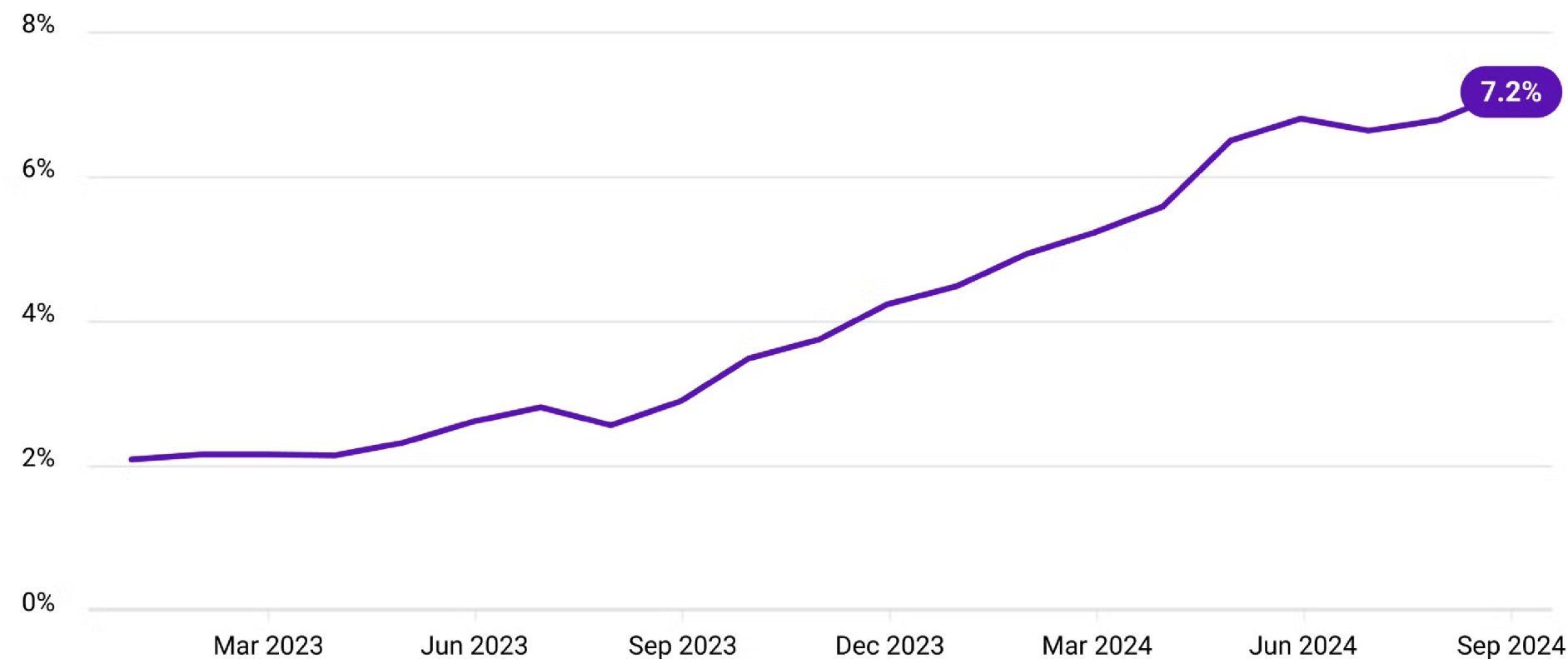


Liquid staking is catching steam.

Liquid staking provides stakers with tradable derivatives, enabling participation in DeFi and boosting overall liquidity.

As of September, 7.2% of the total SOL staked is in liquid staking, reaching an ATH.

Liquid Staking TVL Share By % of Total Stake



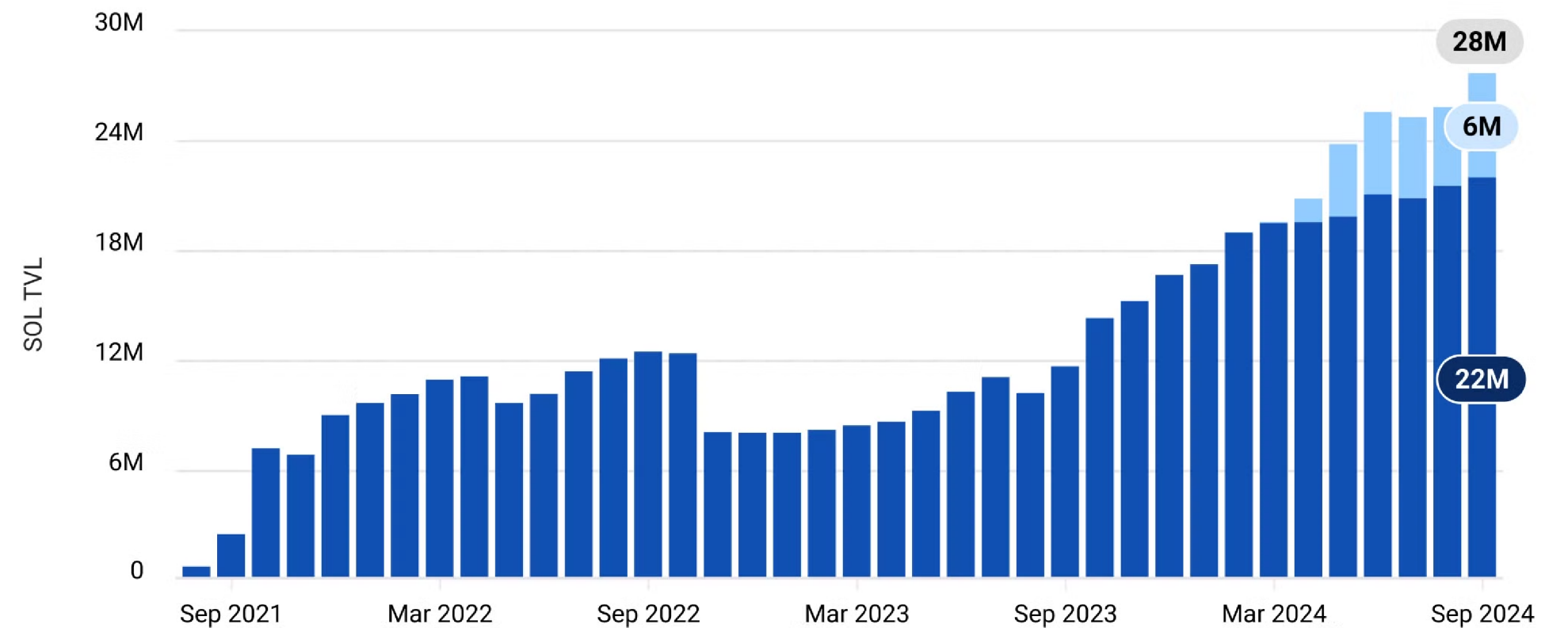
Sanctum pushed liquid-staking TVL to a new ATH of 28M SOL.

Sanctum LSTs now comprise 22% of the total LST market share.

LST TVL has risen significantly in the last few years and is expected to increase further as Solana grows.

Liquid Staking TVL By LST Type

● Other LST ● Sanctum LST



Centralized Exchange (CEX) LSTs have quickly penetrated the market.

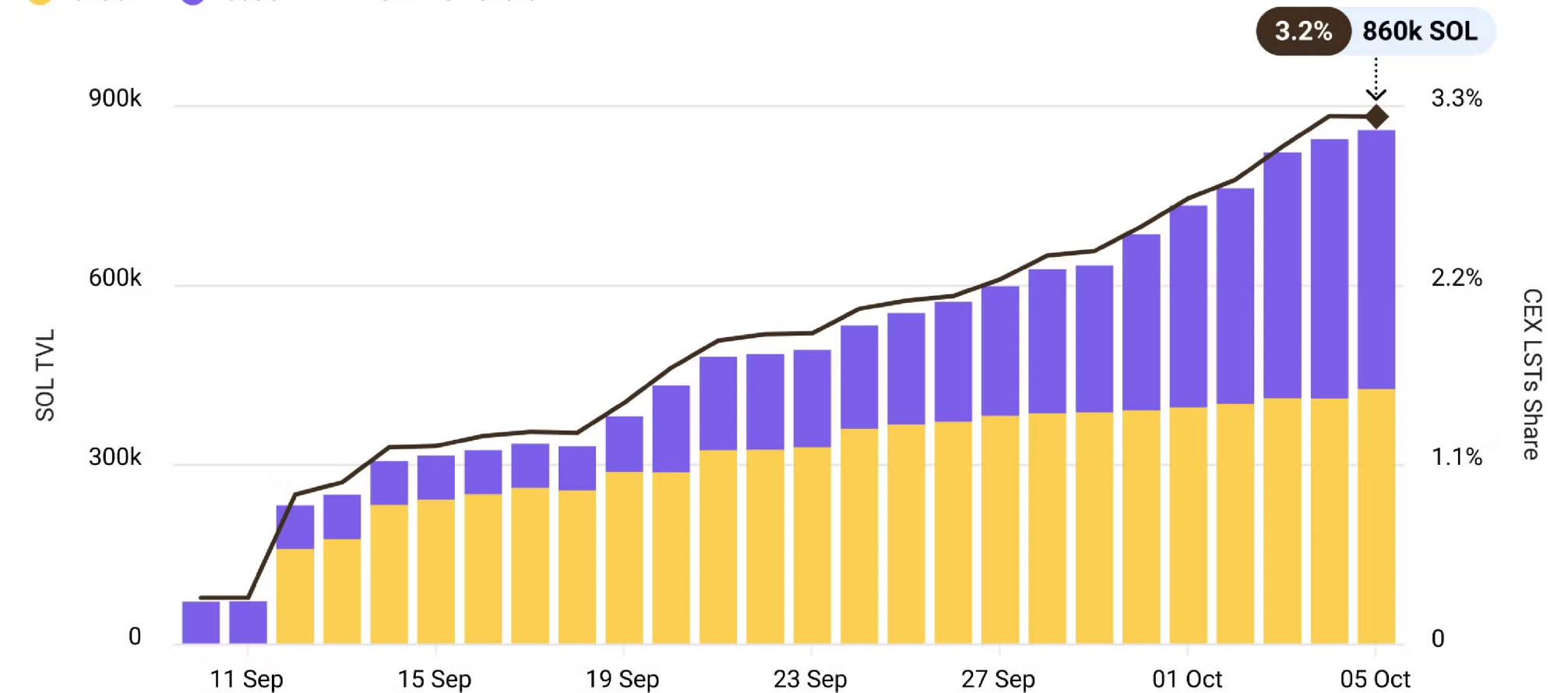
In just under one month post-launch, CEX LSTs such as bnSOL and bbSOL (both via Sanctum) have reached a TVL of 860k SOL.

They now account for 3.2% of the total LST market share.

CEX LSTs TVL

By Day

bnSOL bbSOL CEX LST Share



Note: Data is through October 5th, 2024.

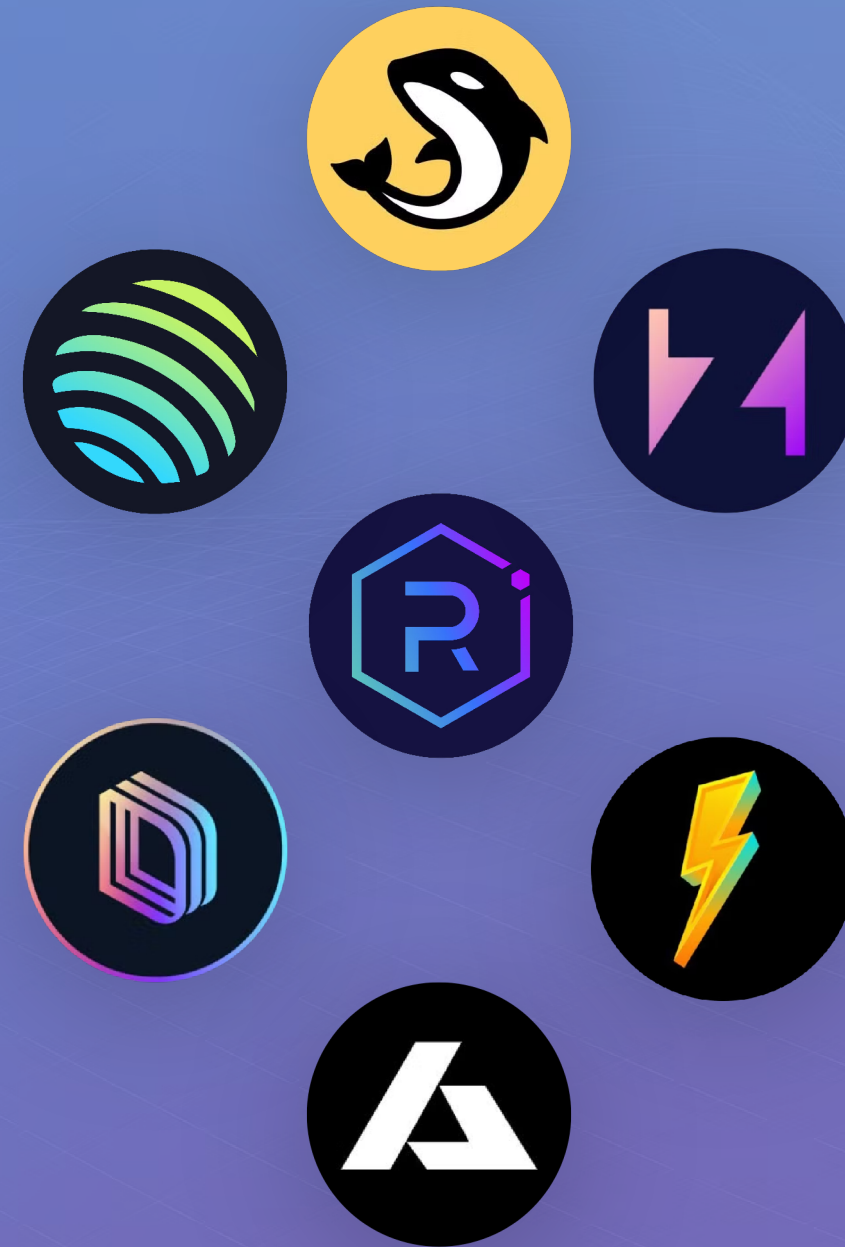
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Part II

Spot and Perp DEXes

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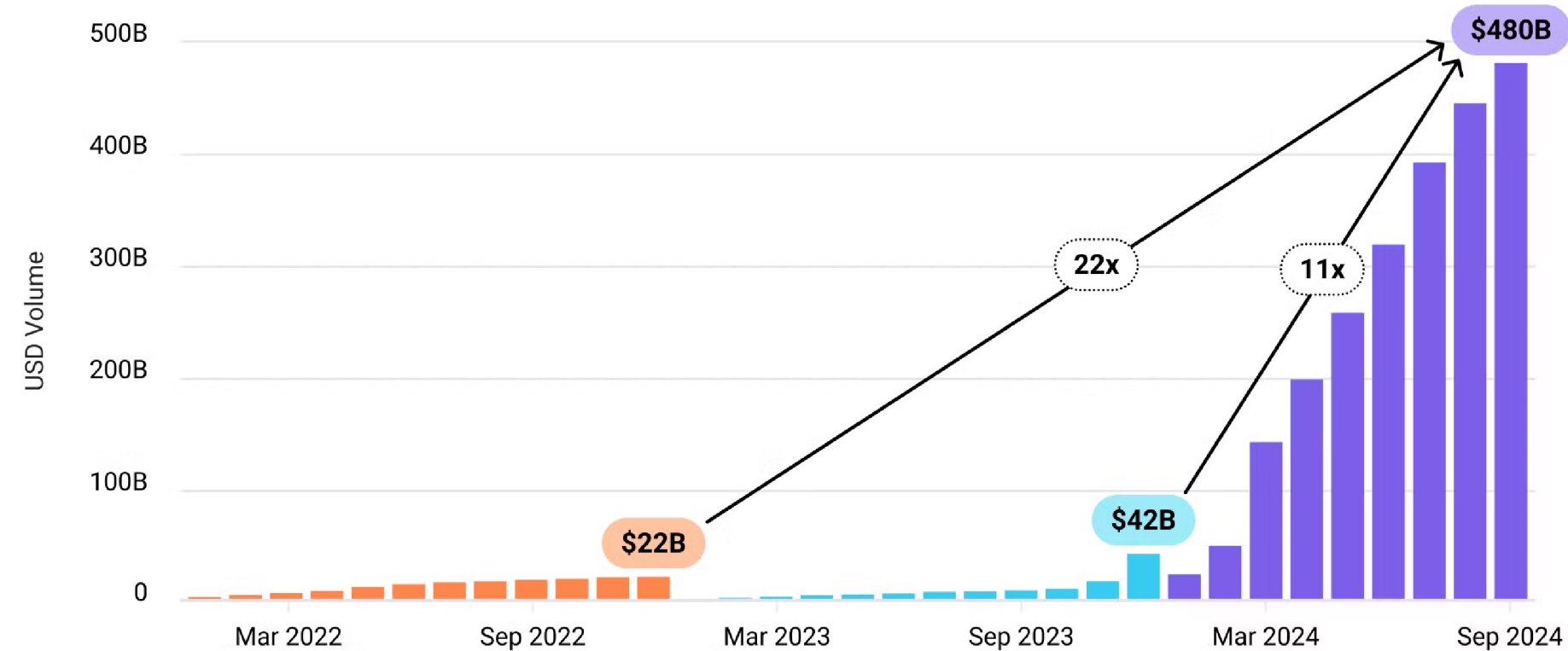


Spot DEX volumes have gone parabolic.

With Q4 remaining, 2024 YTD volume has already surpassed the total annual volumes of 2022 and 2023 by 22x and 11x, respectively.

Cumulative DEX Volume By Year

YTD 2024 Year 2023 Year 2022

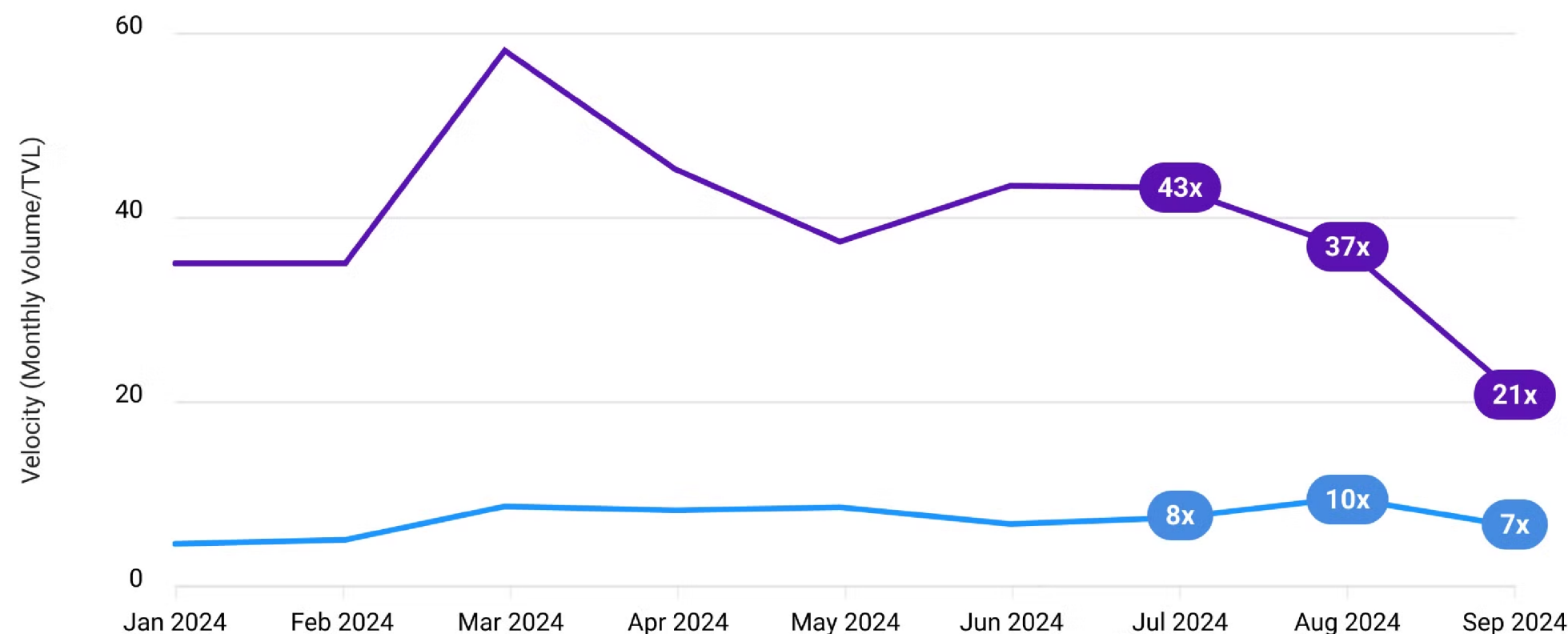


Solana is more capital-efficient than Ethereum.

With a DEX velocity that is at least 3x higher, Solana facilitates more trading volume per dollar locked in its liquidity pools.

SOL vs. ETH: DEX Velocity By Month

SOL DEXes ETH DEXes



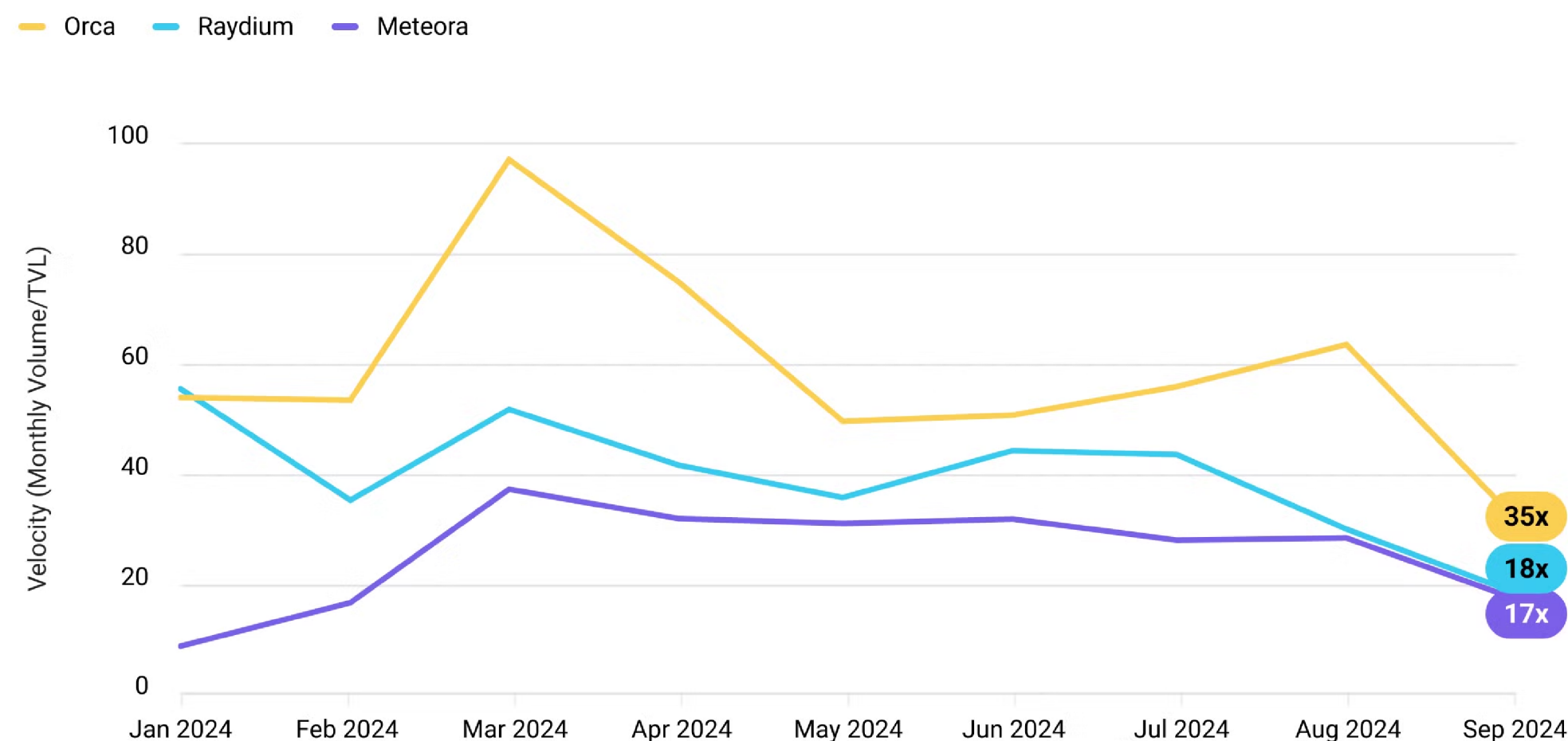
Note: Solana DEXes examined are limited to Raydium, Orca, and Meteora while Ethereum DEXes examined are limited to Uniswap V2, Uniswap V3 and Curve.

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Orca stands out as Solana's most capital-efficient spot DEX.

In September, Orca's monthly volume reached 35x its TVL, nearly doubling that of its peers.

Solana DEXes: DEX Velocity By Month



Note: Solana DEXes examined are limited to Raydium, Orca, and Meteora.

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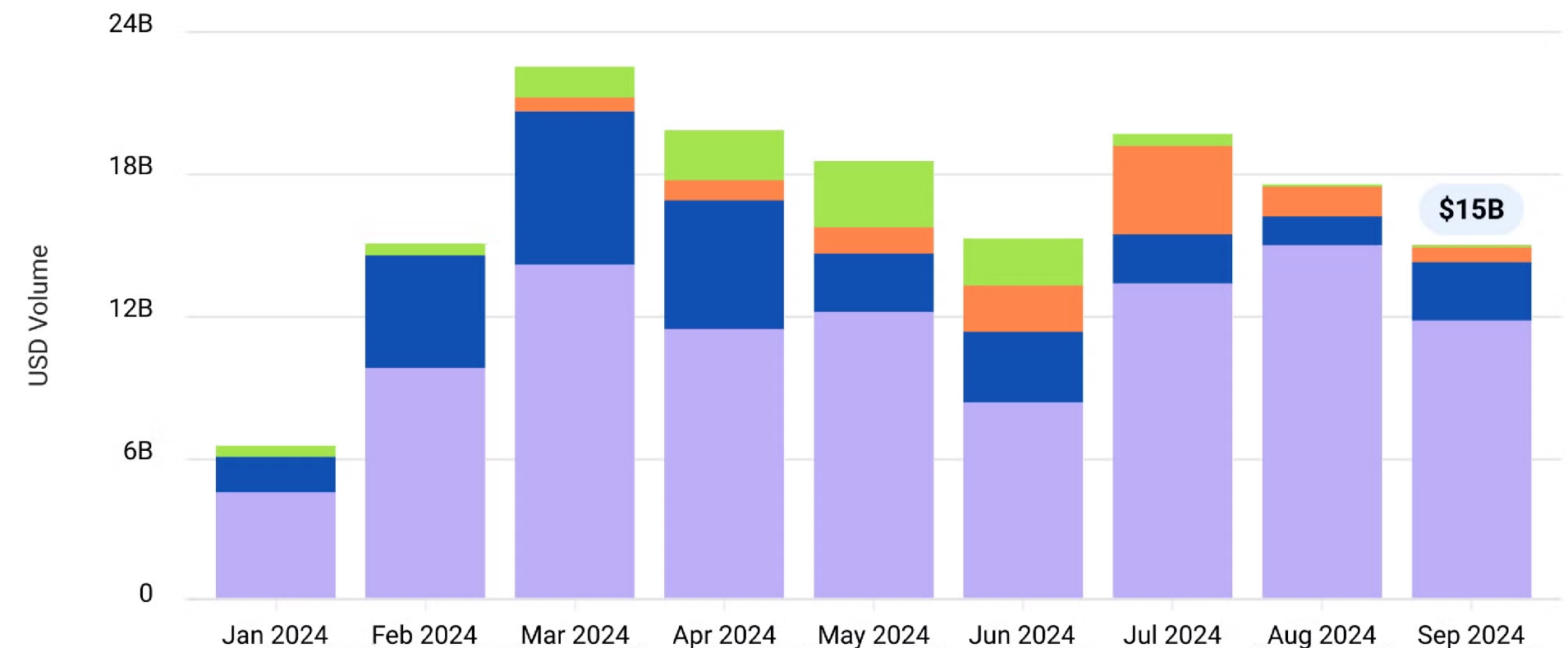
Perps trading volumes have stabilized at \$15B.

Jupiter Perps and Drift Protocol continue to command the majority share of the market.

The recent September launch of Adrena adds a new trading venue to Solana's already-vibrant perp DEX landscape.

Perps Volume By Platform

Jupiter Perps Drift Protocol Flash Trade Zeta Markets Adrena



Note: Perps protocols examined are limited to Jupiter Perps, Drift Protocol, Flash Trade, Zeta Markets and Adrena.

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Adrena, Solana's newest perps DEX, has had an impressive start.

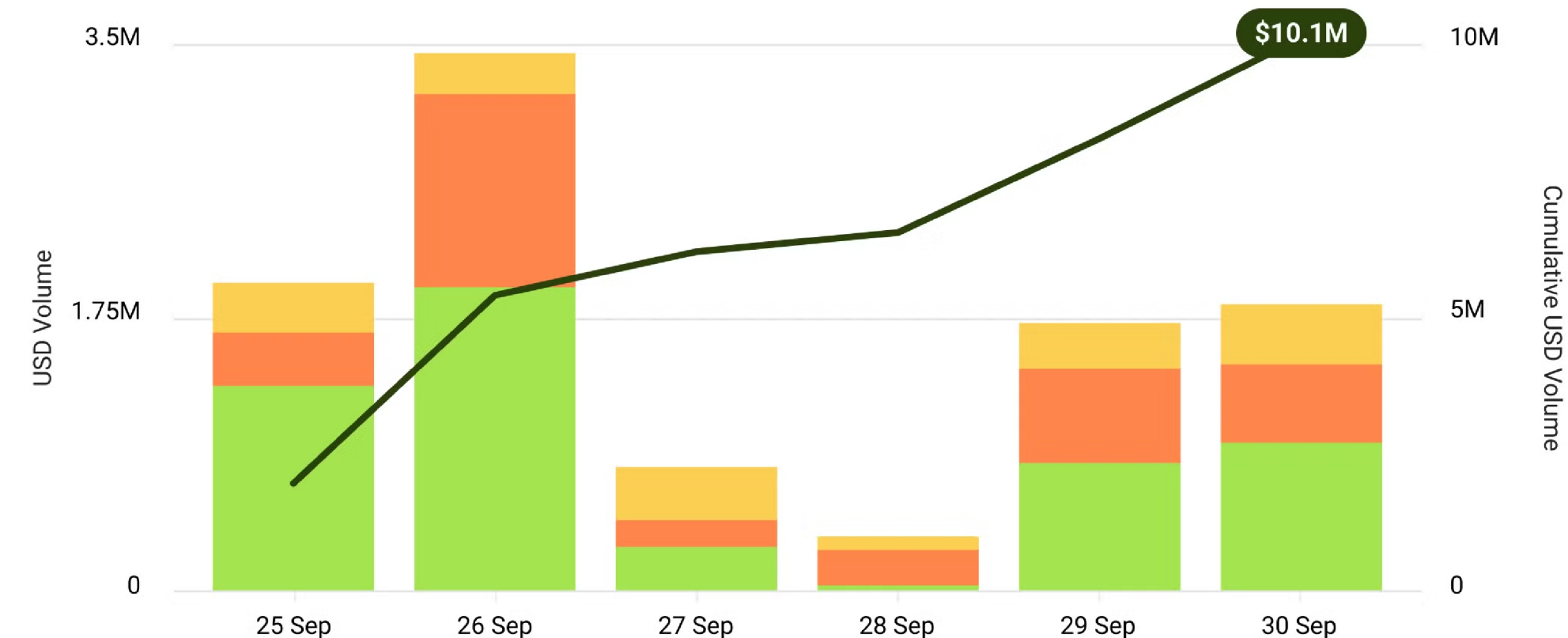
The protocol surpassed a cumulative \$10M in perps volume in just six days of operation.

Traders can long or short three major assets - SOL, BTC, and BONK - on the platform.

Adrena Perps Volume

By Day

SOL BTC BONK Cumulative Perps Volume





Part III

Lending and Stablecoins

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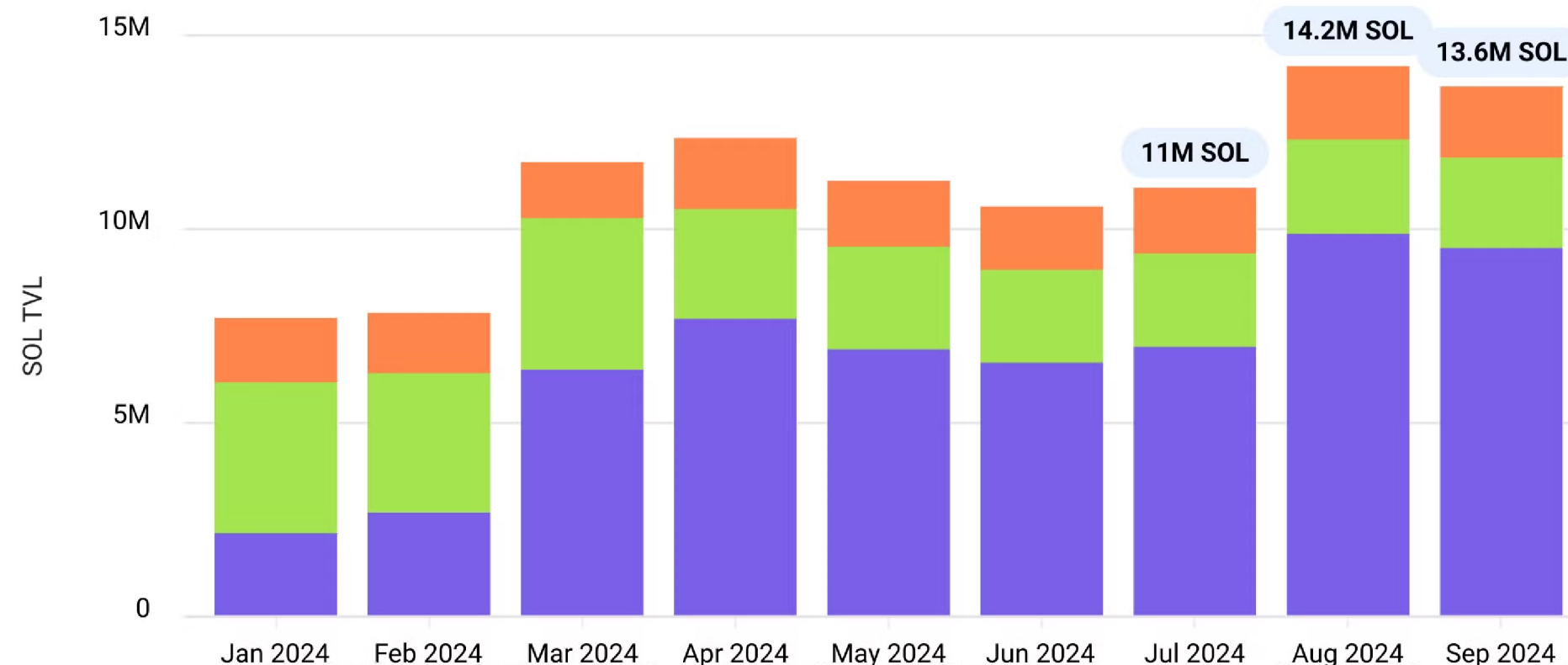
Lending TVL has stabilized following the August run-up.

We will monitor this metric closely as Kamino Lend V2 prepares for its Q4 2024 launch.

V2 will introduce permissionless market creation, advanced risk management, spot leverage, and more innovative features.

Lending TVL By Platform

 Kamino Finance  marginfi  Save (Formerly Solend)



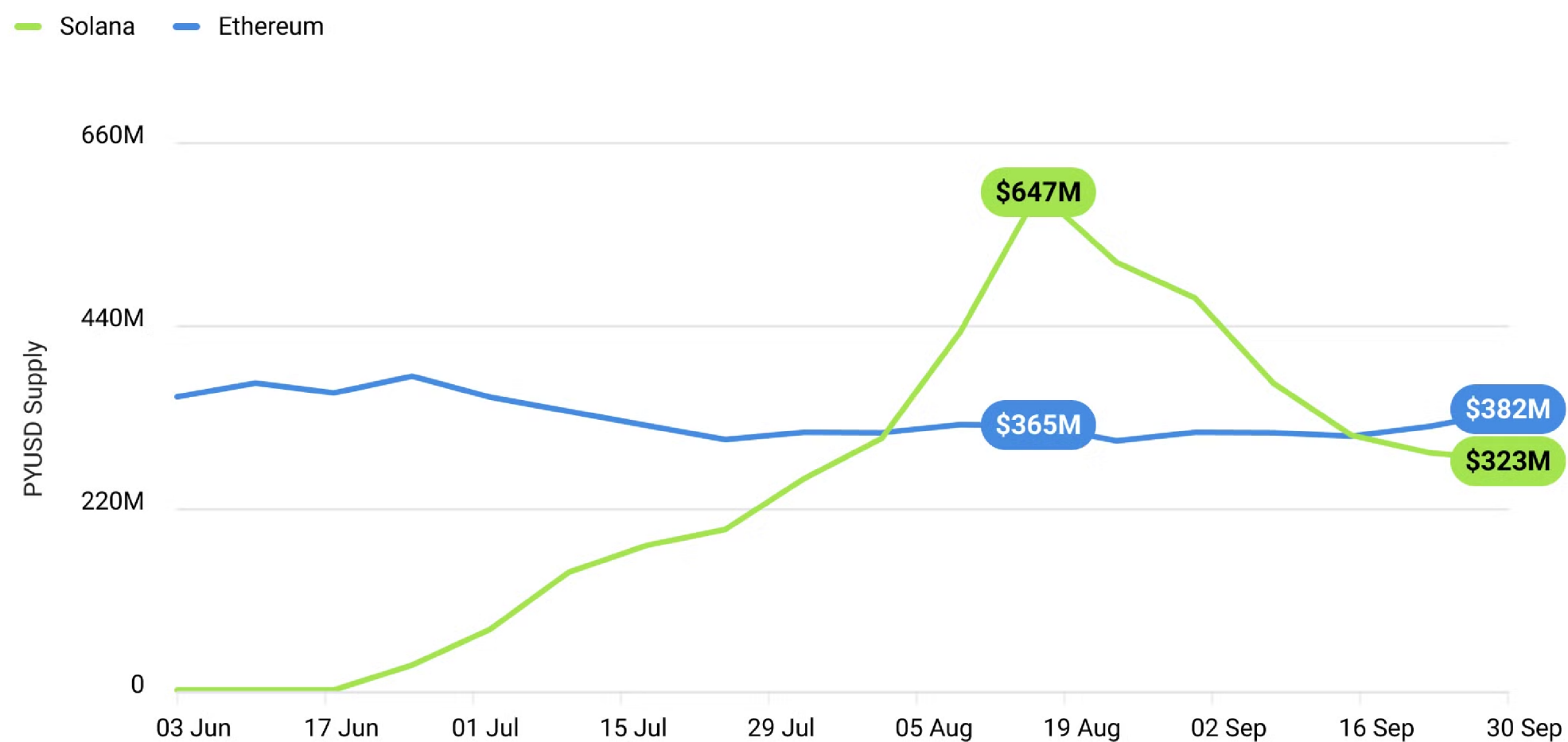
Note: Lending protocols examined are limited to Kamino Finance, marginfi and Save (formerly Solend).

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Solana PYUSD's lead has been eclipsed by Ethereum.

Following a reduction in liquidity incentives, PYUSD's supply on Solana has halved, while its supply on Ethereum has increased slightly.

Ethereum vs. Solana: PYUSD Supply By Week

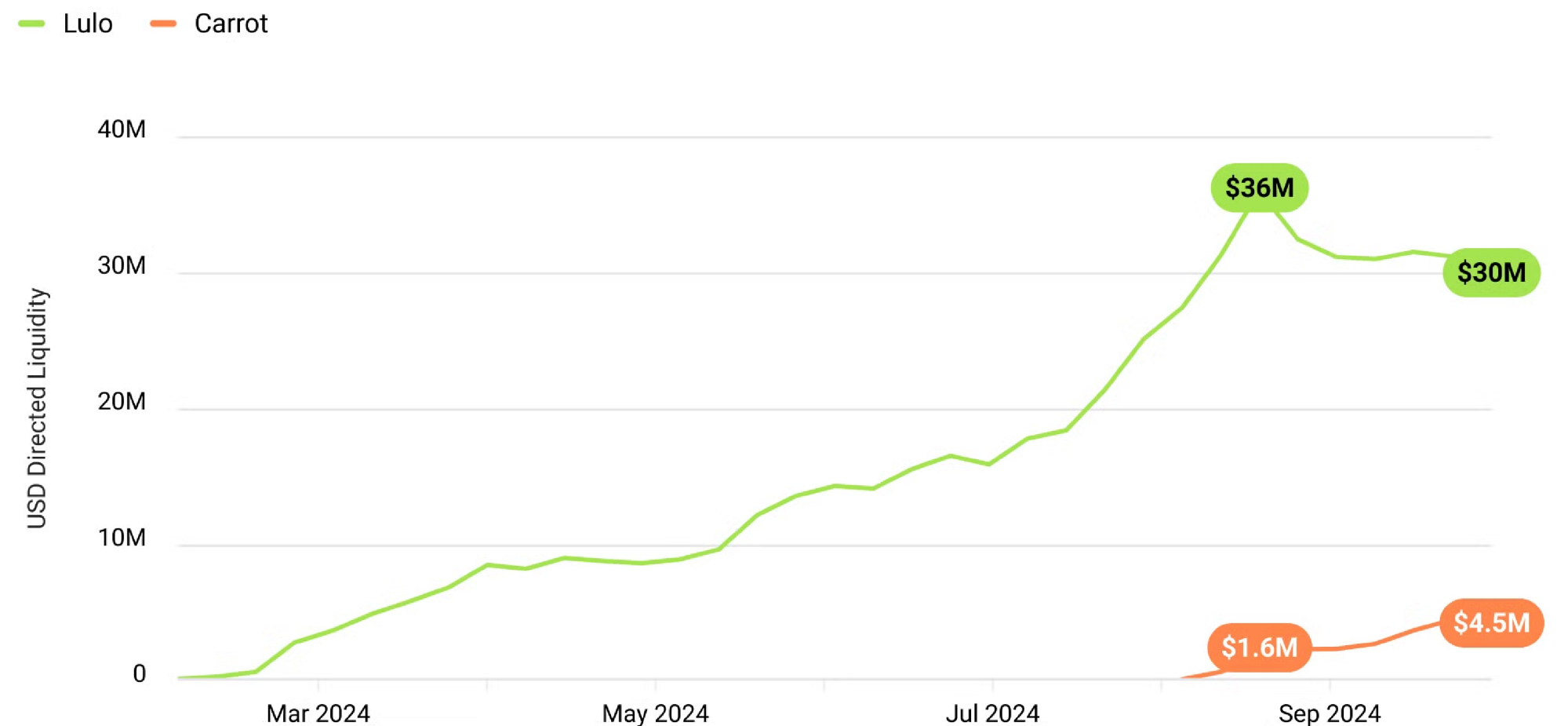


The yield aggregator landscape continues to evolve.

Carrot, a newly launched lending aggregator, provides users with the best yields on their stablecoins simply by holding \$CRT.

Since Carrot's launch, Lulo has undergone its first significant pullback in directed liquidity.

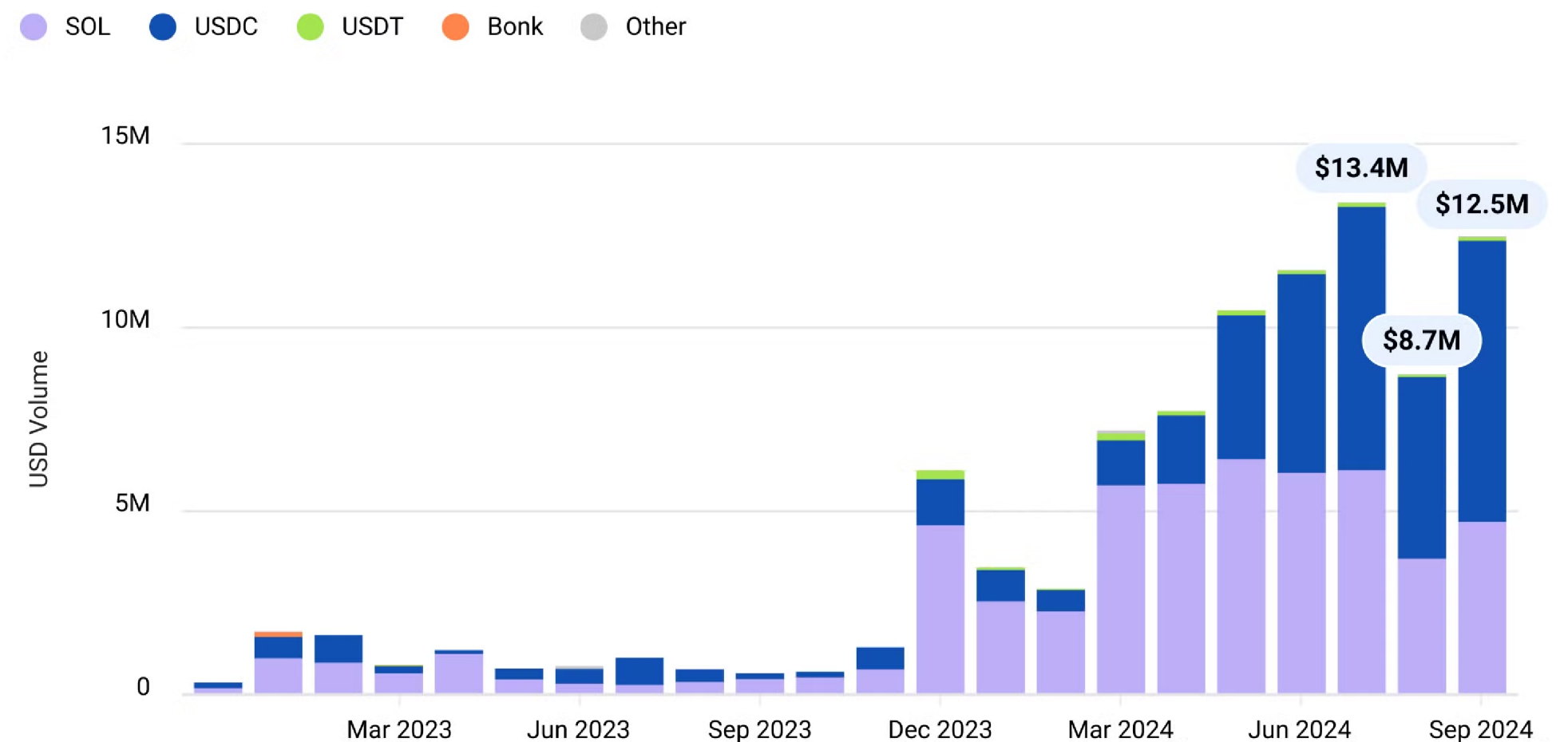
Lulo and Carrot: Directed Liquidity
By Week



Helio's payment volume has steadily increased in 2024.

Helio is the leading payments platform on Solana, with the majority of transactions conducted in SOL and USDC.

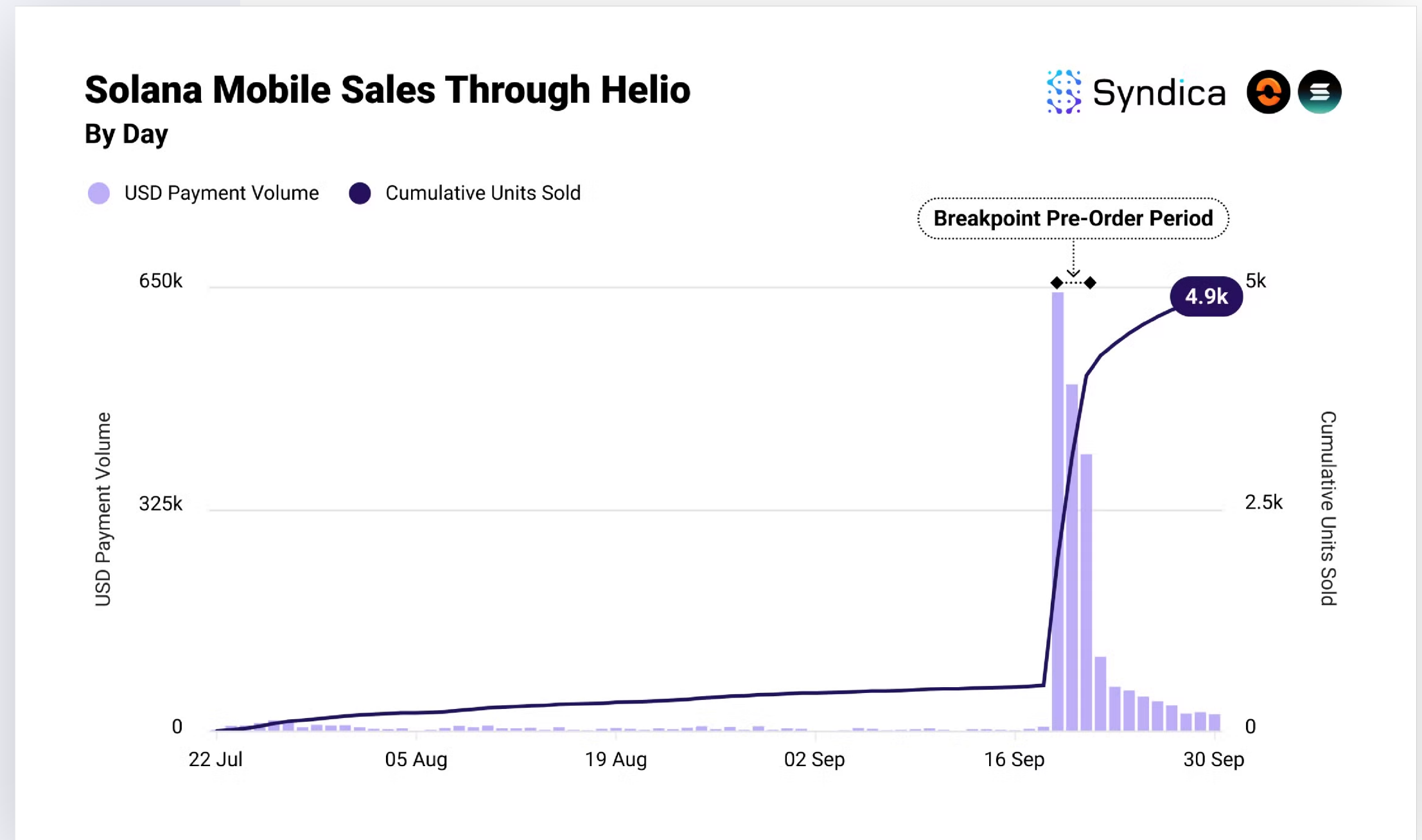
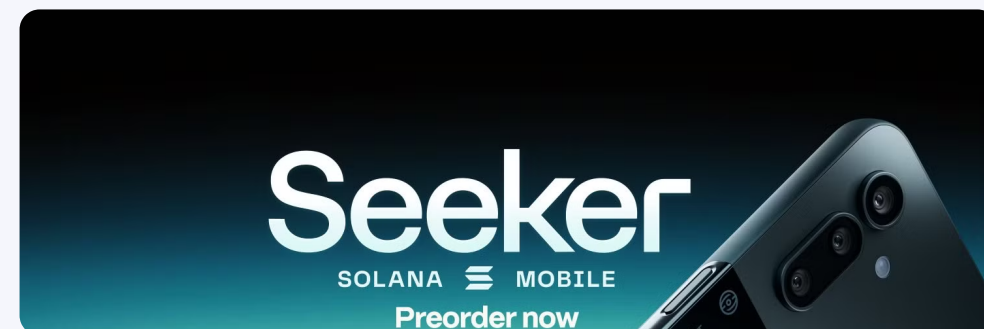
Helio Payment Volume
By Month



Solana Mobile sales through Helio spiked in September.

Helio partnered with Solana Pay for Solana Mobile phone payments, selling 4.9k units, with sales peaking at Breakpoint.

Pre-orders for the new Chapter 2: Seeker model were offered at \$450 only at Breakpoint.



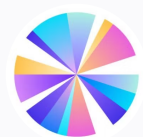


Part IV Projects to Watch

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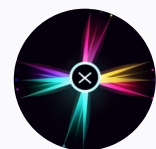


Projects to Watch



Sky

Sky, formerly MakerDAO, plans to bring an upgraded USDS stablecoin and SKY governance token to Solana.



FluxBot

FluxBot introduced Fluxbeam Infinity, an all-encompassing trading tool that integrates with data terminals and algorithmic platforms.



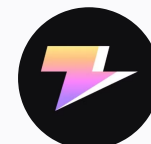
Perena

Perena is set to launch a multi-asset stable swap product focused on efficient liquidity management.



Coins.ph

Coins.ph introduced the PHPC stablecoin, backed by cash, with upcoming liquidity pools for PHPC paired with USDC and USDT on Solana.



Zeus Network

Zeus Network launched its BTC staking platform on the testnet and a Bitcoin-Solana interaction explorer.