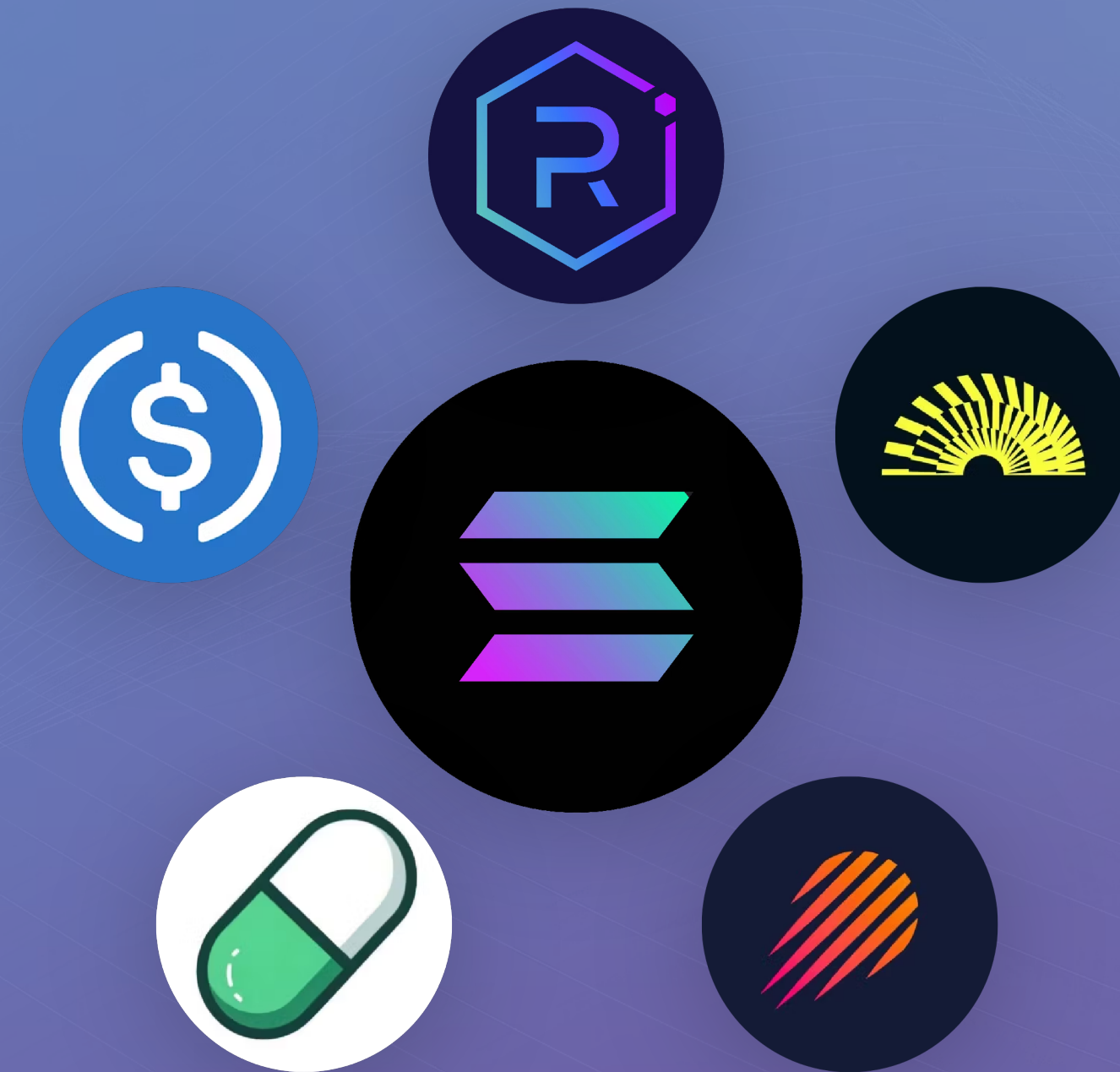




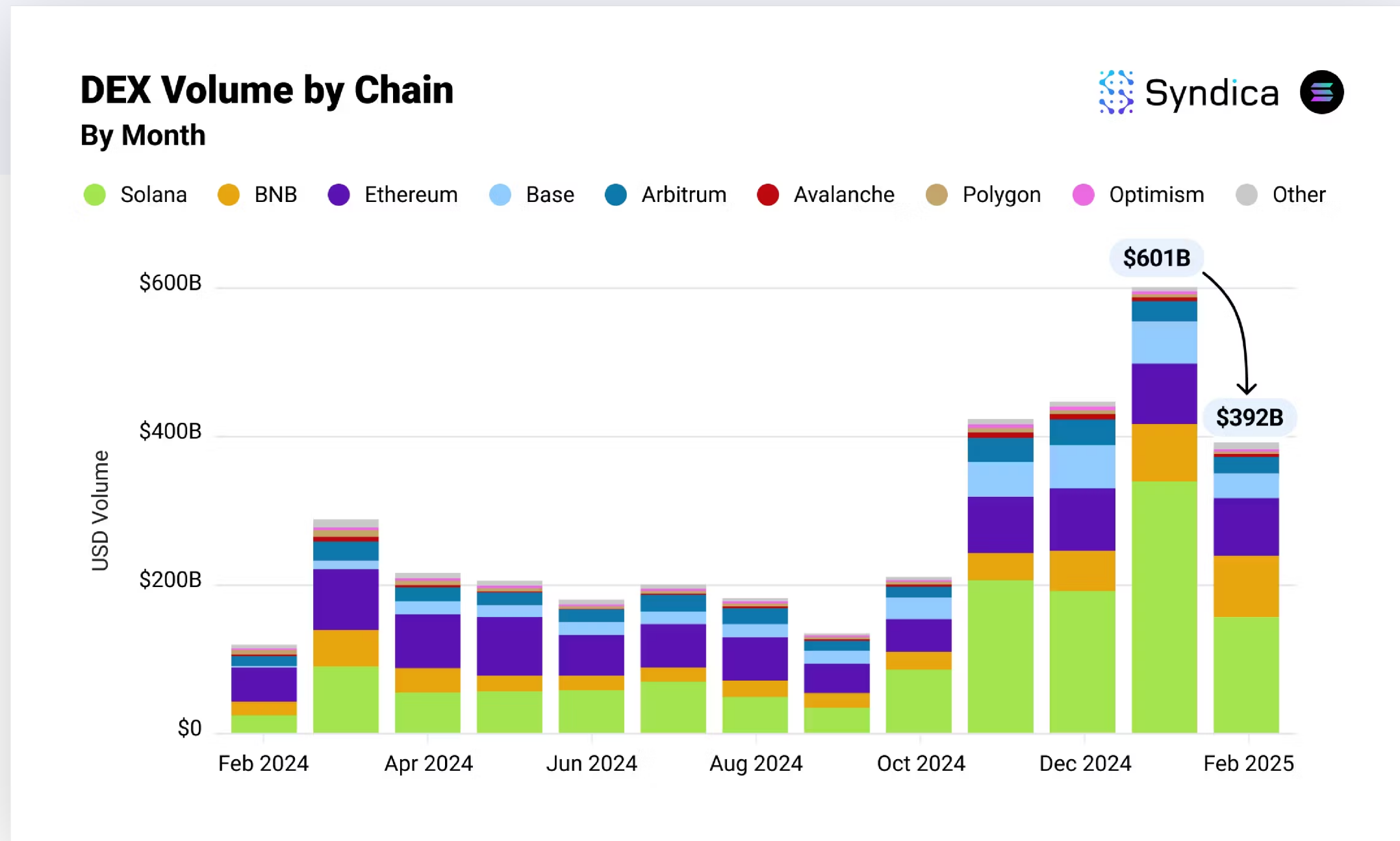
Deep Dive: Solana DeFi

//February 2025



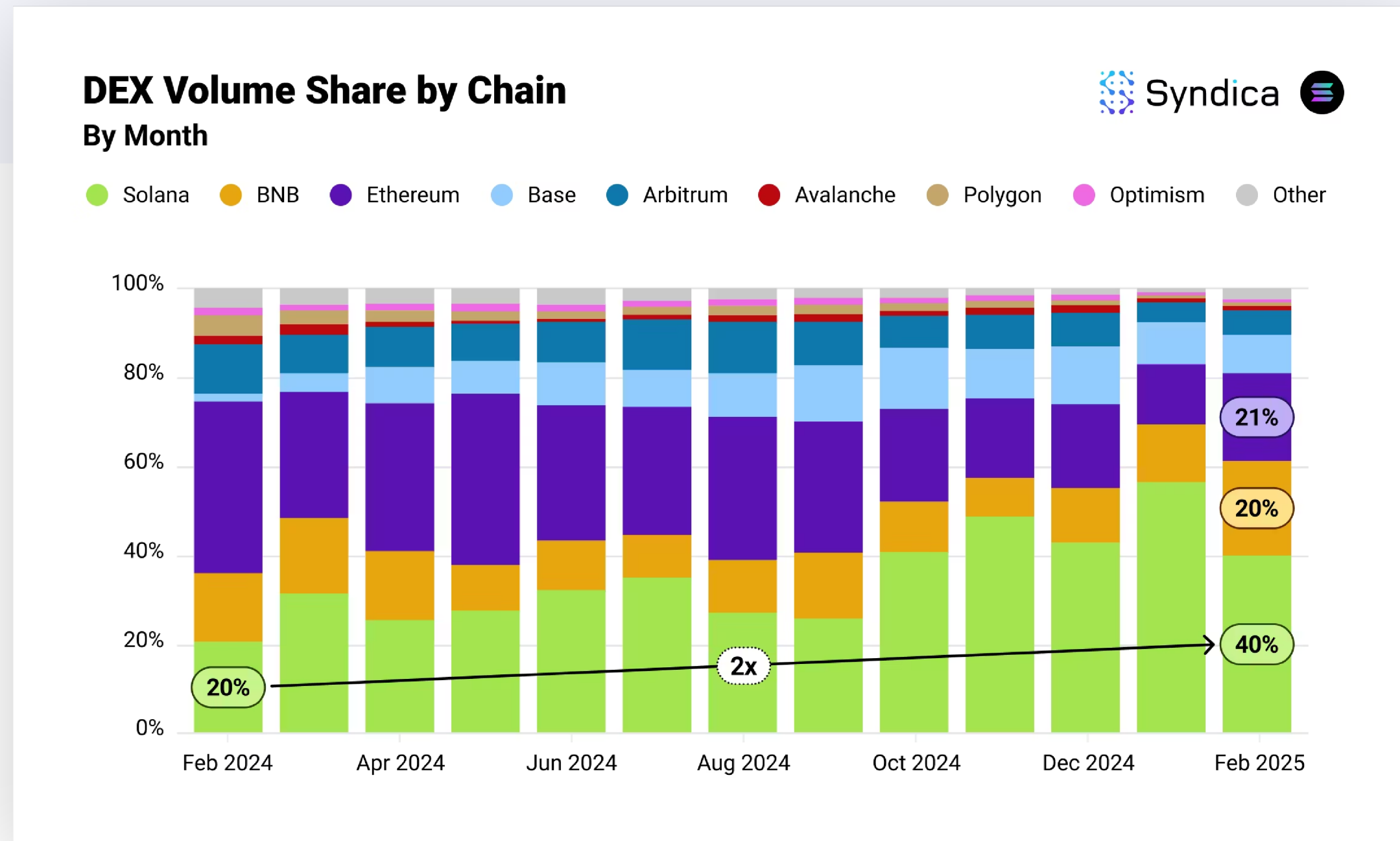
Web3 DEX activity took a significant hit in February.

Overall DEX volume across blockchains plummeted by 35% MoM, landing at \$392B.



Despite the broader slowdown, Solana continued to lead DEX volume across all chains.

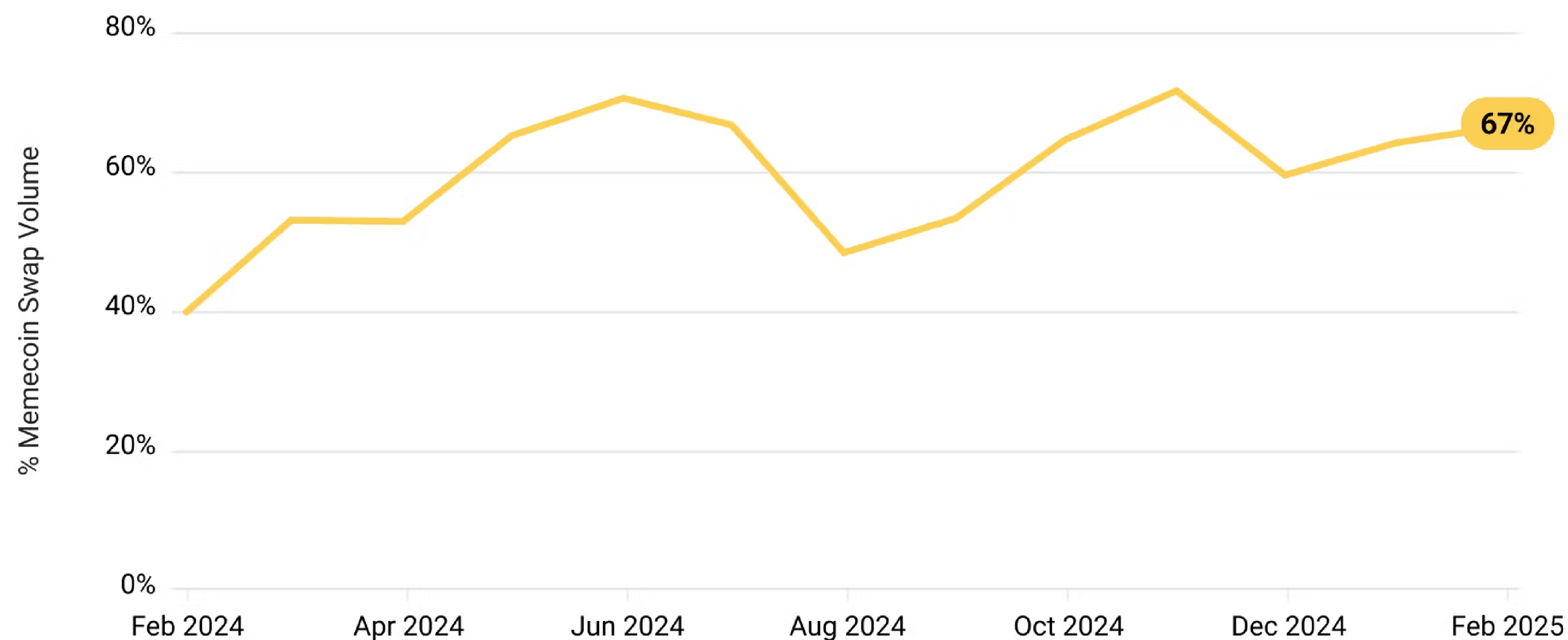
It commanded a 40% share—double its level last year.



Memecoins remain the main driving force behind Solana DEX activity.

They account for 67% of last month's spot DEX volume. A dip in memecoin speculation could ripple across broader DeFi markets.

Memecoin Swap Volume Dominance By Month



Raydium dominates Solana's spot DEX market with a share surpassing all others combined.

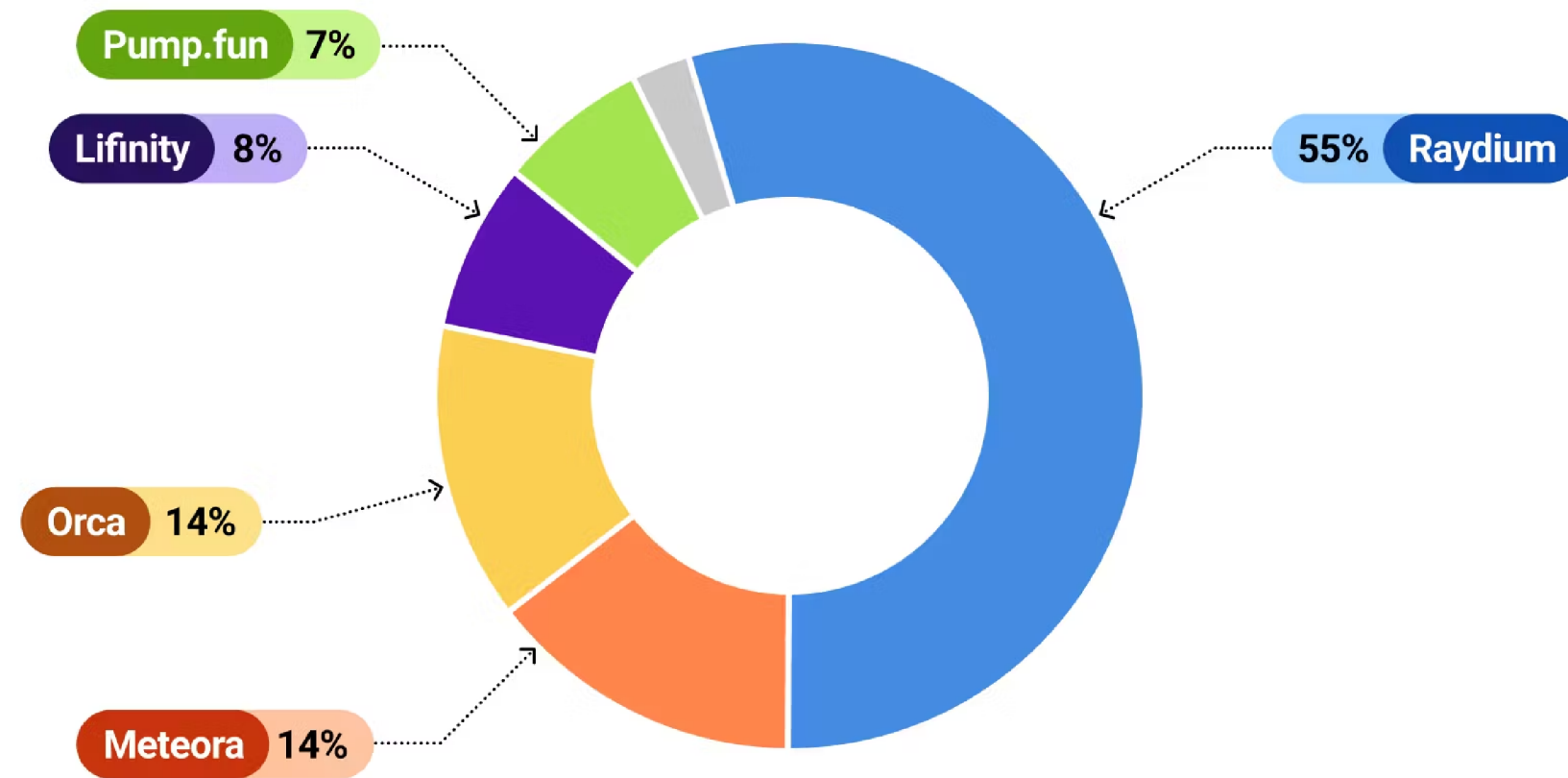
The protocol boasts a 54% DEX volume market share YTD 2025.

This cycle has catapulted Raydium ahead of even long-time leaders like Uniswap on Ethereum, showcasing its potential when the right use case emerges.

SOL DEXes Market Share

YTD 2025

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

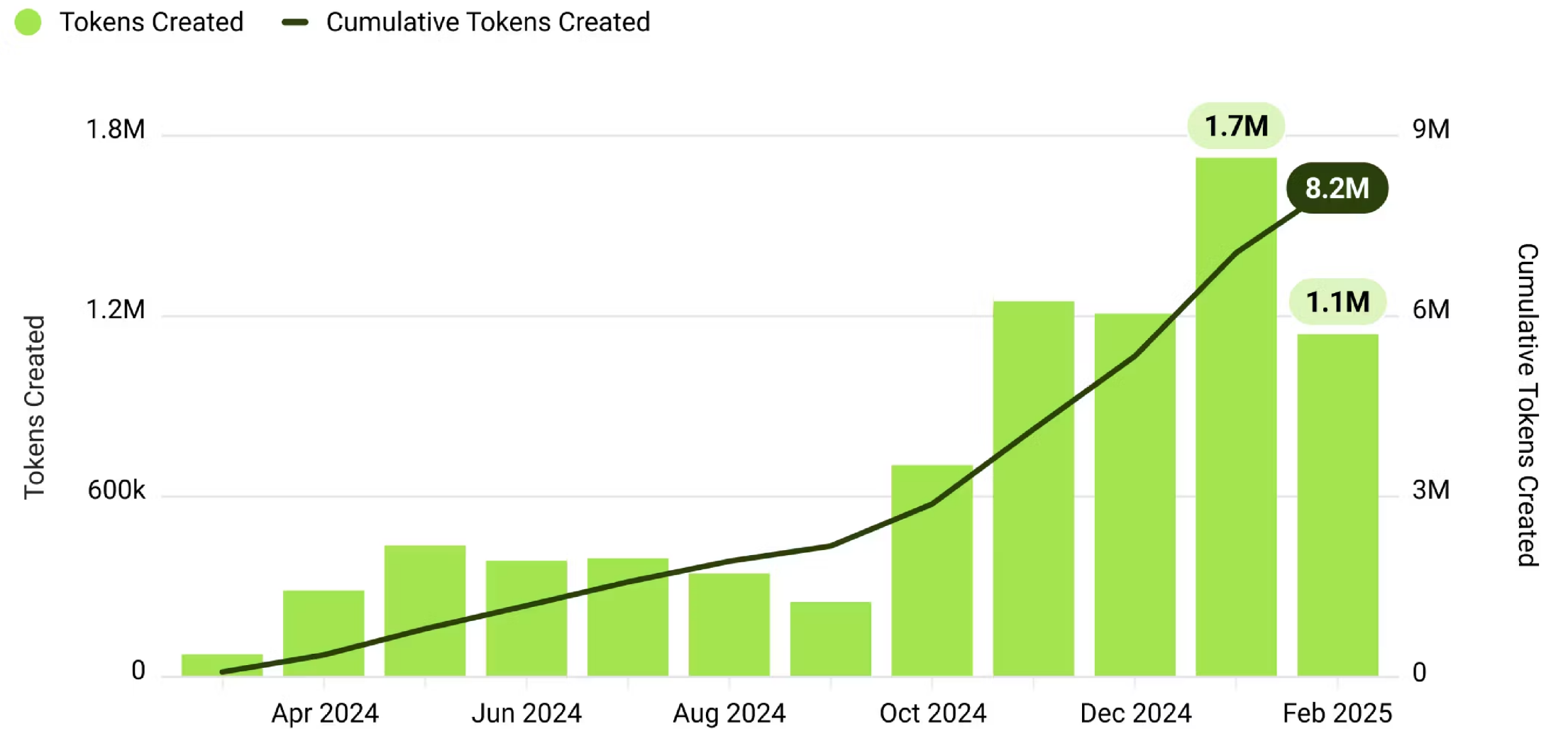


Pump.fun's memecoin launch frenzy has cooled to pre-Trump figures.

After hitting a record 1.7M new tokens launched in January, the pace has eased.

The platform still boasts 8.2M unique memecoins launched to date.

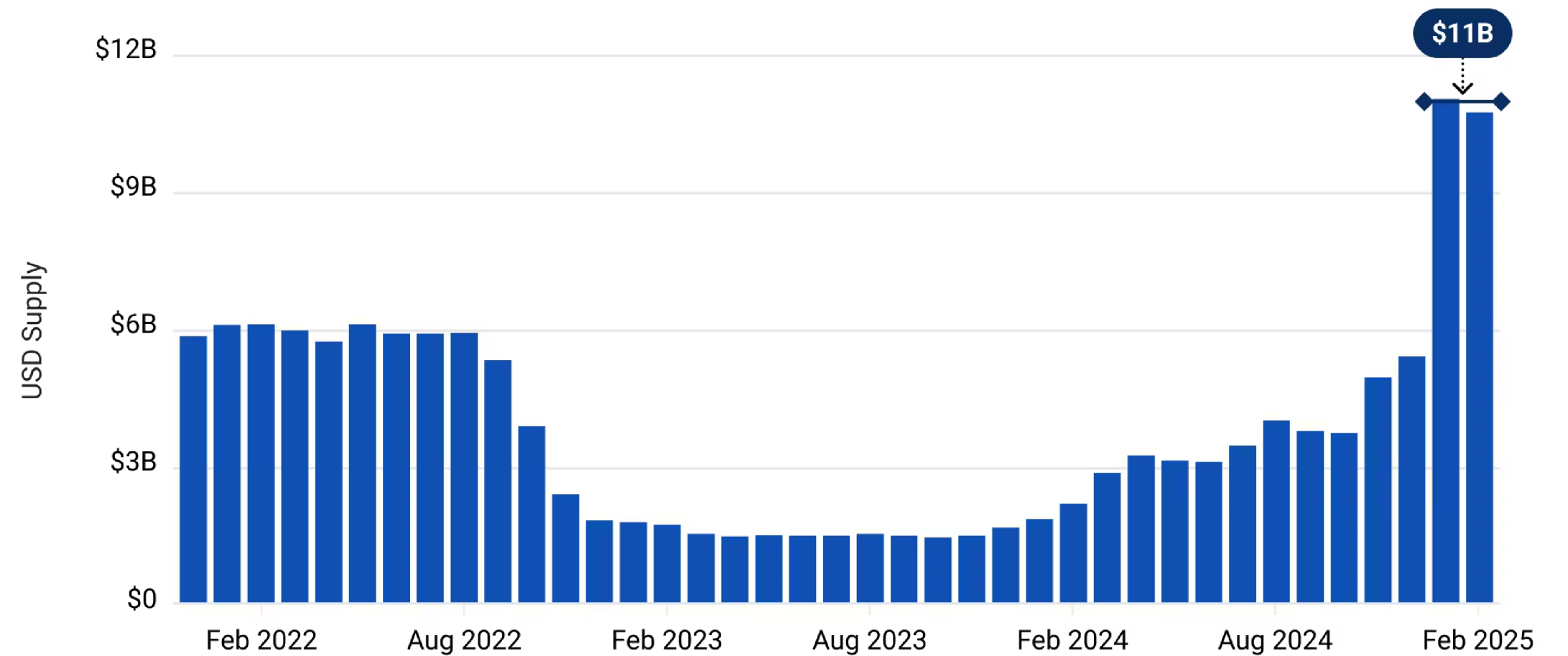
Pump.fun Tokens Created By Month



Solana's stablecoin supply has stabilized around \$11B.

A strong stablecoin base sets the stage for attracting more institutional players and businesses to the ecosystem.

Solana Stablecoin Supply By Month



USDC dominates Solana's stablecoin market with 84% share.

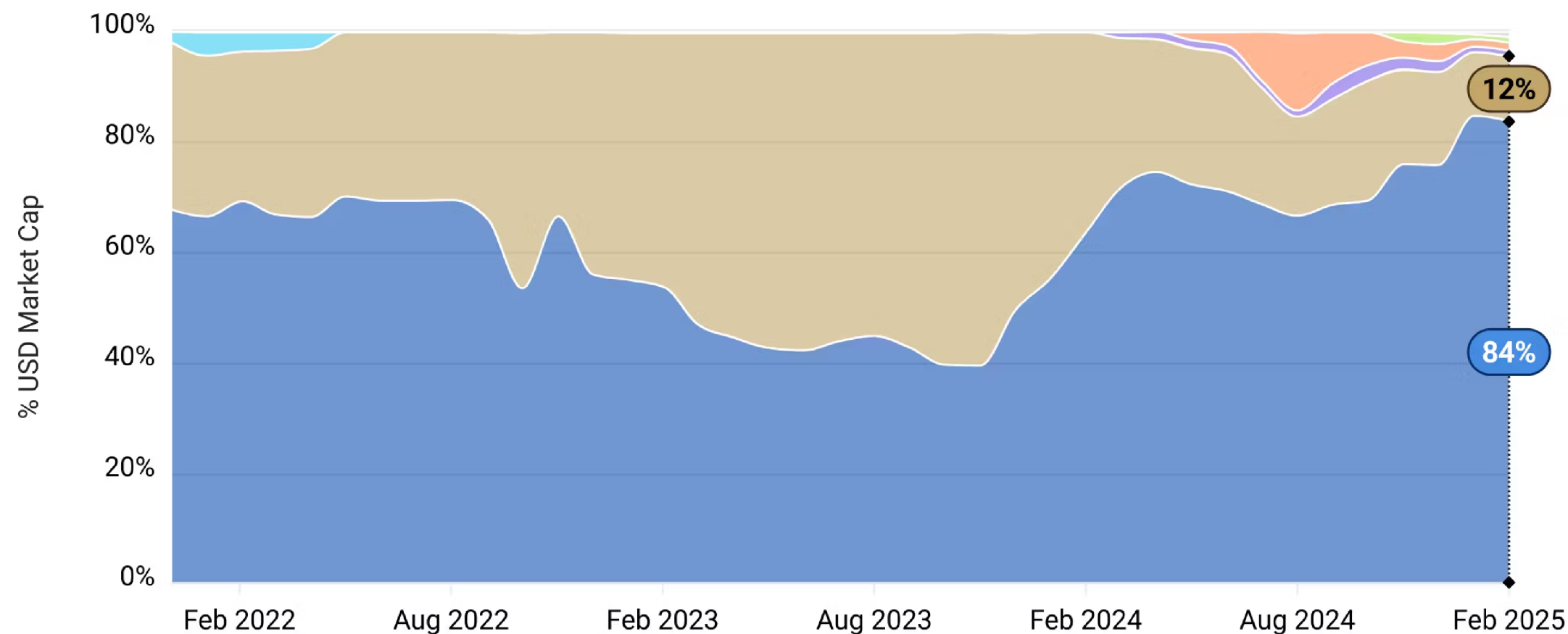
Circle's dominance on Solana stands out as a unique phenomenon in the global DeFi landscape.

For instance, Tether's USDT leads on Ethereum with 54% and on BSC with 74%.

Solana Stablecoin Market Cap Share

By Month

● USDC
 ● USDT
 ● UST
 ● USDY
 ● PYUSD
 ● USDS
 ● Other



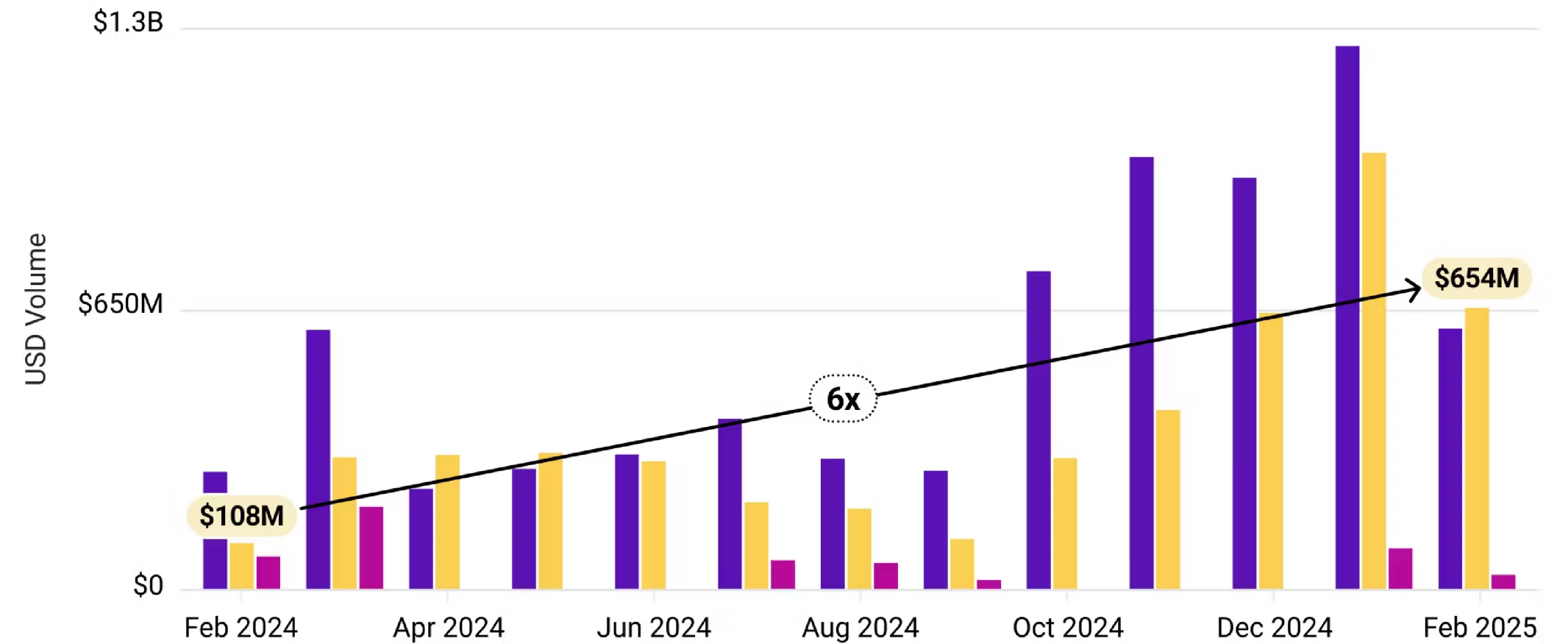
deBridge has reclaimed #1 spot among Solana bridges.

The bridge kicked off 2025 strong, hitting a new ATH record and overtaking Wormhole.

Overall, its bridging volume soared 6x YoY, reaching \$654M.

Solana Bridging Volume by Platform By Month

Wormhole deBridge Allbridge



DeFi Implications with SIMD-0228

Solana's evolving ecosystem has sparked a debate on optimizing its economic model.

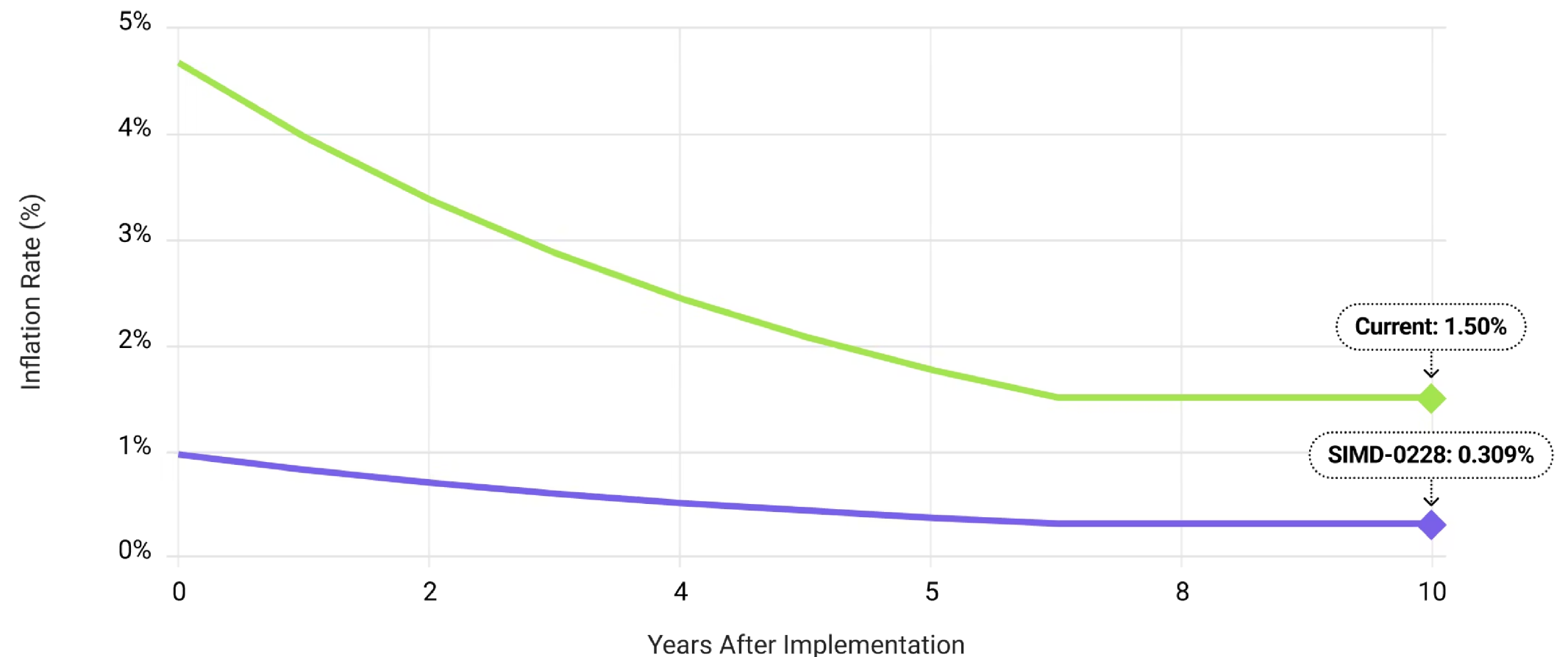
SIMD-0228 was a proposal to dynamically adjust Solana's inflation rate based on staking ratios.

It argued that with a 64% staking level, Solana is overspending on security under the current static linear inflation plan.

The proposal would have reduced issuance by 4x.

Evolution of Inflation: Current vs. SIMD-0228 At Constant Staking Ratio of 64%

● Current Inflation ● SIMD-0228 Inflation

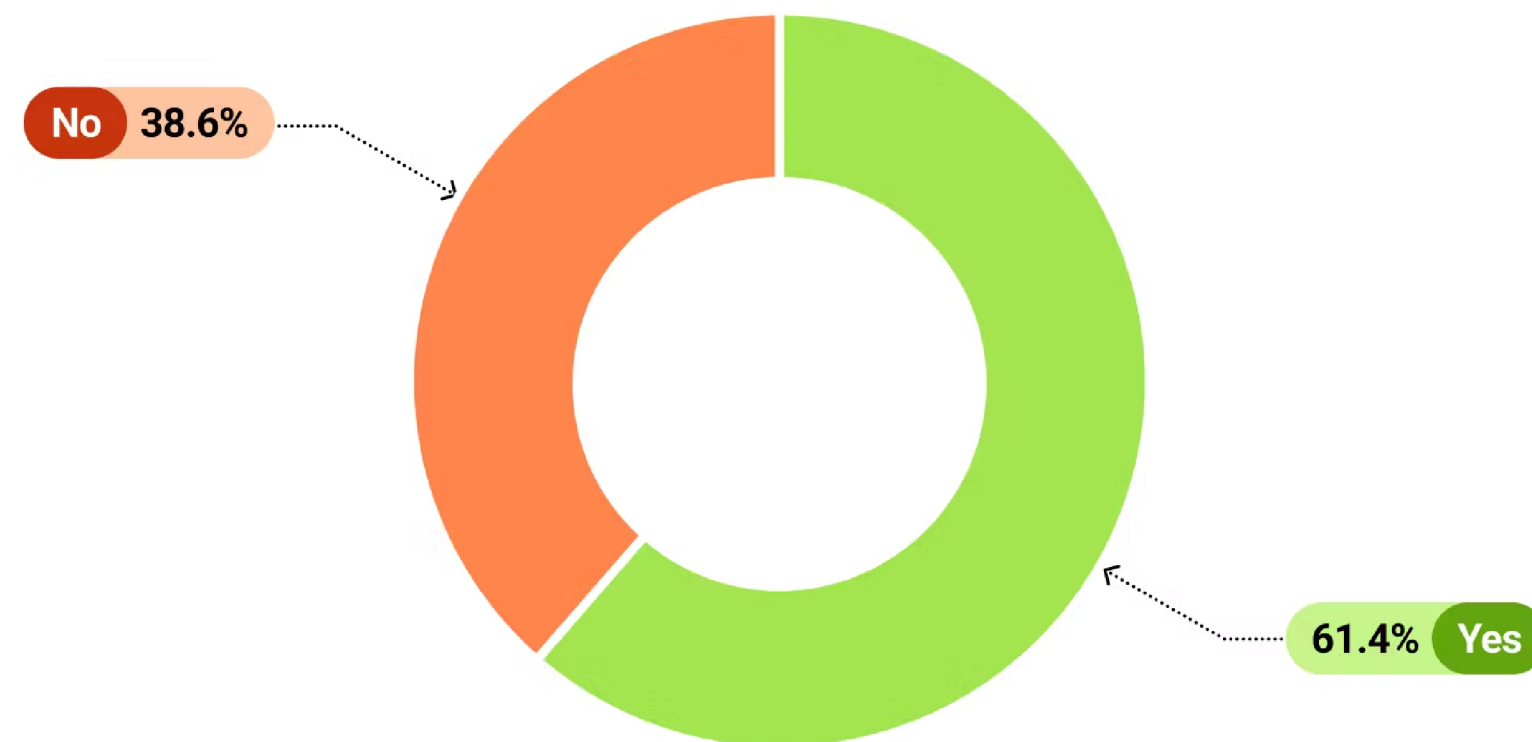


SIMD-0228 came close but ultimately failed to pass.

It secured only 61.4% of staked votes, missing the 66.7% threshold needed to pass.

SIMD-0228 Outcome

● Yes ● No

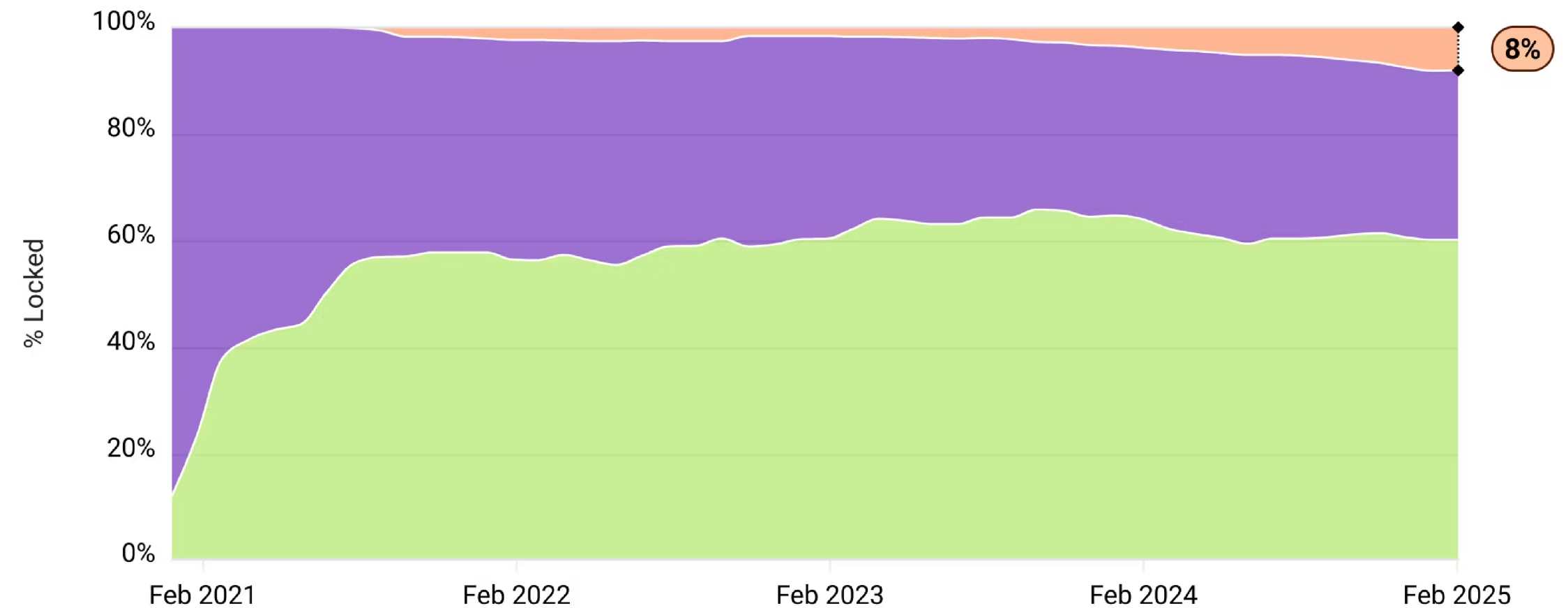


Had SIMD-0228 succeeded, a wave of staked SOL could have surged into DeFi.

By cutting staking rewards, the proposal was expected to push SOL stakers into higher-yield protocols, especially given that only 8% of SOL is currently in DeFi.

% of SOL Locked (Incl. Liquid Staking) By Month

● % Native Staking ● % Circulating ● % SOL Locked in DeFi



This table outlines how SIMD-0228, if passed, might have impacted different DeFi sectors on Solana:

DeFi Sector	Impact	Key Points
Spot DEXes	Positive	<ul style="list-style-type: none"> • More SOL entering → higher TVL • Potential for increased trading activity
Perp DEXes	Positive	<ul style="list-style-type: none"> • More SOL entering → higher TVL • Potential for increased trading activity
Lending and Borrowing	Mixed	<ul style="list-style-type: none"> • Lending supply up as SOL holders chase alternative yield • Borrowing demand down due to reduced staking incentives
Liquid Staking	Negative (Short-Term)	<ul style="list-style-type: none"> • Lower staking rewards slow adoption • Unwinding of looped LST strategies