



2023 Uniblock Crypto Wrap

SAN FRANCISCO, CALIFORNIA, December 21, 2023 /EINPresswire.com/ -- 2023 has been an incredible year for crypto with bitcoin soaring over 160% from \$16,600 to north of \$40,000. But there is more to the story, a whole lot more. We believe developers are a leading indicator for what consumers will enjoy in the next few quarters. From Solana emerging from the ashes of FTX to the prevalence of adoption in Africa, and the rise of SocialFi and Real World Assets as potentially the next killer app. Welcome to the 2023 Uniblock Crypto Wrap.

We're Back Baby!

As 2023 comes to a close, excitement among builders is decidedly back. In Q1 2023 we witnessed a drop off of developers working in blockchain. This dropoff was likely caused by several factors, including the rise of AI as a hot vertical as well as the depressed prices in crypto in general.

Frankly, it's remarkable that the amount of interest in the space stayed as buoyant as it was considering all the carnage we witnessed in the back half of 2022 and first few months of 2023 including Three Arrows Capital, Celsius, TerraLuna, Voyager Digital, Celsius, and of course FTX.

As the Fed and various central banks aggressively raised rates to reign in inflation, long duration assets including the tech-heavy Nasdaq, which fell 33.1%, and Bitcoin, which fell 63% were hit the hardest.

Given the level of chaos, our data shows that developer activity held up fairly well. This metric is correlated, and likely caused by, the price of Bitcoin and over 2023 Q4 we've seen an uptick in developers launching their projects.

To support this trend, Uniblock offers a Very Interesting Builders (VIB) program, where we help developers bring their projects to life. Our VIB program is seeing a record number of applications, a good indicator that the excitement amongst builders is back.

We expect this trend to continue well into 2024 with macro tailwinds impacting the price of cryptocurrencies.

What Tailwinds are Impacting Crypto?

Bitcoin spot ETF

Thirteen firms including Grayscale, BlackRock, and Invesco, have pending applications with the

Securities and Exchange Commission (SEC) for ETFs that track the price of bitcoin. Industry watchers believe that the advanced nature of the discussions means that we may likely see a successful outcome and there is speculation that the SEC will not want to appear to be playing favorites by giving any firm an advantage so we may see several applications approved at once in Q1 2024.

Halving

Approximately every four years, bitcoin's mining rewards are algorithmically slashed in half and the next one is projected to happen in April 2024. The current reward is 6.25 Bitcoin which translates into 900 bitcoin or approximately \$40,000,000 per day at \$44,000 per bitcoin.

Currently, the stock-to-flow ratio of bitcoin is in line with that of gold, with the new issuance being 1.6% and 1.7% respectively.

However, after April's halving the amount of new bitcoin will be cut to 450 or \$20,000,000 and the stock-to-flow ratio will be dramatically below that of gold.

Election Year

Regardless of the GOP nominee, the Biden administration will likely turn on the taps in 2024. During the midterms they tapped the Strategic Petroleum Reserves to great effect, we can expect increases in both fiscal and monetary policy which in turn will increase liquidity next year.

Rate Cuts

At the time of writing the market is pricing in 5 rate cuts in 2024 which is historically good for risk and long duration assets. Even without cuts, the rate of change has come down dramatically. On average, the Fed cuts rates 8 months after the last hike.

Solana Making a Comeback

While Ethereum Virtual Machine (EVM) remains the undisputed king for developers seeking a viable protocol, we are seeing a marked increase in projects building on Solana.

Once derided in the industry as the "SBF Coin" and left for dead by both builders and retail investors, we are starting to see more projects choose Solana as their protocol of choice.

Although Solana has previously been plagued by reliability issues, the latest report shows that Solana has experienced 100% uptime since February 2023.

What are Builders Building?

As a Web3 infrastructure platform, Uniblock is in a privileged position because we are able to see

the interesting products that people are working on, including companies in our VIB. Some themes for 2023 include:

AI Enabled X on the Blockchain

Builders aren't immune to exciting narratives and AI has been hot in 2023. We are seeing an exponential increase of people trying to unify AI and Blockchain such as, blockchain explorers powered by AI, AI trading platforms, AI-powered security and auditing, and AI-powered rights management, among others.

Even outside crypto, most industries are about to see a tsunami of disruption. In fact, in the 28th edition of The CEO Study, more than 3000 global CEOs showed excitement and common concern regarding AI. 50% of the CEOs are already working to integrate AI into their products and services in some way and 69% expect a benefit from using AI within their companies.

Gaming

GameFi has long been the holy grail of crypto, with numerous angles such as NFTs, Play-to-Earn, and others. The challenges have been that, frankly, making a compelling game is really hard.

For a few years we've seen a dichotomy between new game developers launching arguably boring experiences that are blockchain enabled. On the one hand, established game studios were lukewarm to entering the space because they have built established brands and business models that they want to protect. On the other hand, new game developers are still learning what to build. Now, we can see compelling crypto-powered games emerging with many more on the way.

Real-World Assets (RWA)

In 2023, the DeFi sector navigated the bear market's challenges, pivoting its focus on yield-bearing assets. Liquid staking in particular has been instrumental in establishing a risk-free rate for ETH, and for enhancing the stability and utility of the ecosystem. Simultaneously, the presence of new asset classes is rapidly expanding - including tokenized protocol revenue and RWAs. This is leading to the emergence of new DeFi services for them, like Tazz Finance, that is pioneering efforts to lend against these new asset classes in an automated manner.

Ticketing

While conventional RWA has gathered momentum, tokenization of non-assets also has picked up steam. Starting with the basic ticketing platforms, where tokenized StubHub is being built in partnership with event organizers, there are startups who are creating a new secondary market on the back of tokenization for other industries like travel, hospitality and more. This brings much needed liquidity in an opaque market and adds up to traveler flexibility, where they are able to resell the booking/reservation instead of paying hefty cancellation fees, while hotels and operators minimize their cancellation rates. Buk Technology is one such startup working on adding the ability to resell rooms on every travel website, creating a new value proposition and new revenue streams.

SocialFi

Inspired by successful platforms like Friend.Tech, builders are recognizing the need to bring the crypto community closer. There's a growing emphasis on fostering more interactions and streamlining communication. Social reputation, as seen with notable figures like Pranksy, a renowned NFT collector, plays a crucial role in the industry. This shift underscores the need for a platform that can seamlessly integrate social networking with financial activities. 0xPPL is such a project that is striving to create a crypto-native social network that blends social and on-chain reputation seamlessly.

Security

According to Preston Thornburg, CTO of Upshield, threat actors continue to menace the crypto industry, resulting in \$1.4 billion in losses as of mid-November. While smart contract vulnerabilities continue to be exploited, such as the recent case of Kyber Network, a large increase in off-chain incidents have been tracked and monitored by the team at Upshield. Adversaries are more actively targeting protocols via cloud-based infrastructure exploitation and the manipulation of communities. 2024 is shaping up to demand full-stack security more than ever as the easiest path is beginning to shift.

A New Take on Developing Nations

When you speak to many Westerners they may not immediately understand the value of crypto. This is precipitated by a fairly stable currency and financial system. It is unlikely that the USD, GBP, or CAD will experience hyperinflation like Zimbabwe, Venezuela, and Sudan. Countries that are experiencing all time high bitcoin pricing in their local currency at the moment.

This is one of the reasons why we are seeing a lot of innovation in Africa, Latin America, and SouthEast Asia; builders in the region are trying to help the local population battle inflation and serve the underbanked. Due to the fiscal and monetary challenges countries in these regions are facing, many residents are turning to crypto as an alternative store of value.

Kevin Callahan

CEO & Co-Founder Uniblock

Samantha Sim

Uniblock

sam.sim@uniblock.dev

+1 206-681-3007

Visit us on social media:

[Twitter](#)

[LinkedIn](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/676670751>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2023 Newsmatics Inc. All Right Reserved.