



The Trusted Source for Tokenomics Insights

Annual Report 2024

Tokenomist.ai

Table of Contents

Table of Contents.....	1
Introduction.....	1
TokenUnlocks Rebranding.....	1
TLDR.....	2
Major Token Unlock Events of 2024.....	2
Low Float, High FDV Tokens.....	2
Memecoins: 2024's Breakout Sector.....	2
AI Agents and Broader Implications.....	3
Looking Ahead to 2025.....	3
Notable Unlock Events of 2024.....	3
Price Impact.....	3
Funding Rates.....	4
Top 5 Unlock Events in 2024.....	5
1. Arbitrum (ARB): \$2.22 billion unlocked value.....	5
2. Sui (SUI): \$1.21 billion unlocked value.....	8
3. Celestia (TIA): \$977.44 million unlocked value.....	11
4. Jito (JTO): \$563.91 million unlocked value.....	13
5. Aptos (APT): \$423.6 million unlocked value.....	17
Analysis.....	19
Low Float High FDV.....	20
Key Sectors.....	26
Memecoins: A Standout Performer.....	27

The Appeal of Memecoins.....	29
Community Long Term Incentive Alignment.....	30
Community Takeovers: A New Paradigm.....	31
Catalysts for Growth.....	31
Risks and Limitations.....	32
AI Agents.....	33
Broader Implications.....	34
What's Ahead.....	35
References.....	36
Notable Unlock Events of 2024.....	36
Low Float High FDV.....	36
Key Sectors.....	36

Introduction

The year 2024 marked a new dawn in the crypto industry, as Bitcoin reached new all-time highs and on-chain activity surged to new levels, indicating the return of the long-awaited bull cycle.

The year began with significant project launches featuring low float, high FDV (fully diluted value) setting the tone for the industry's trajectory. However, market sentiment shifted mid-year, moving from one extreme to another. The transition from short-term, low-market-cap tokens with locked vesting schedules to fully unlocked, community-driven meme coins reflected a divergence in investor preferences. By the end of the year, the "super meme cycle" emerged as a dominant narrative, capturing widespread attention. Amidst the intense focus on meme coins, utility-driven projects continued to make significant progress.

Over at Tokenomist (previously TokenUnlocks), we've also been working on exciting things. In 2024, we made key strategic developments through rebranding initiatives, cementing our position as a pioneer in tokenomics and preparing for the next phase of industry adoption.

TokenUnlocks Rebranding

In Q3 2024, TokenUnlocks underwent a pivotal transformation, rebranding to Tokenomist. This rebranding represents a strategic expansion of our service offerings, extending beyond token unlock data to encompass a more comprehensive approach to tokenomics. Leveraging years of expertise in supply-side metrics from TokenUnlocks, Tokenomist aims to address the industry's core supply challenges, positioning itself as the leading resource for tokenomics solutions. The name "Tokenomist" embodies this broader vision, serving as both a reference to token economists and a commitment to providing a holistic perspective on tokenomics, starting with supply.

With our expertise in tokenomics over the past years, we've set off to redefine how tokenomics is understood by the broader audience under the new Tokenomist brand. The rebranding signals a tailored solution towards **traders**, who benefit from more optimized flow for discovering trading opportunities; **researchers and analysts**, who rely on

comprehensive, verifiable tokenomics standards and data; and **token designers**, who gain access to tools for comparing allocations and emission schedules.

A key driver of this evolution has been the integration of large language models into our operations. By developing an in-house custom trained model, PlumAI, Tokenomist was able to significantly improve our capacity to list tokens. Over two years, TokenUnlocks listed 151 tokens—a number now surpassed within months. With PlumAI, Tokenomist has expanded its coverage to over 380+ tokens, enabling analysts to incorporate broader and more comprehensive data. This approach ensures a more balanced analysis from our token list, aligning with Tokenomist's mission to provide comprehensive insights into token supply dynamics.

TLDR

Major Token Unlock Events of 2024

- The top five largest token unlocks of 2024 released more than \$5.4 billion into circulation, heavily impacting market dynamics. At least \$150 billion in combined token unlocks are expected from 2024 to 2025, with approximately \$82 billion absorbed in 2024 alone.
- Funding rates, which reflect the balance of demand in the perpetual futures market and spot vs. futures market dynamics, paired with price movements can reveal critical insights into market sentiment, especially around token unlock events.
- Understanding the impact key supply dynamics like token unlocks have on pricing and sentiment adds a valuable tool to the arsenal of investors and market participants. By analyzing such events, they can better anticipate shifts in market behavior and make informed decisions in an ever-evolving market.

Low Float, High FDV Tokens

- Tokens with low circulating supply and high fully diluted valuation gained traction for their rapid price appreciation, but faced criticism for long-term sustainability.
- This model, popularized during the 2020–2021 bull run, saw renewed adoption in 2024, though with improved launch ratios and investor scrutiny. By late 2024, the average float at launch / FDV ratio had risen to approximately 35%.
- Over \$150B in token unlocks expected by 2025, with declining unlock pressures potentially stabilizing markets long-term.

Memecoins: 2024's Breakout Sector

- Memecoins delivered a 536% YTD return in 2024, far outpacing Bitcoin and Ethereum.
- They resonated with investors for their transparency and equitable distribution, avoiding early-stage insider privileges. Incidents such as FLOKI's community takeover have highlighted community driven incentive structures.
- Tools like pump.fun enabled easy token creation, leading to viral tokens and celebrity participation. Over 5,581,665 have been created on pump.fun as of January 6th, 2025.

- Memecoins have a low long-term success rate, with 97% eventually "dying" due to low trading volumes and liquidity. While the average lifespan of a memecoin is roughly 1 year, many drop off within much less time.

AI Agents and Broader Implications

- Autonomous entities combining memes, AI, and social media emerged as a new crypto trend, with frameworks like Virtuals and ai16z leading the innovation.
- AI-driven agents could transform software engineering and blockchain development, though over-saturation may lead to a return to human-centric preferences.
- Concepts like staking utility tokens with memecoins point to a future where entertainment and utility overlap, fostering deeper community engagement.

Looking Ahead to 2025

- Declining unlock pressures and evolving tokenomics models could enhance long-term market stability.
- Anticipate potential growth in AI agents, fair-launch practices, and the blending of utility with entertainment in tokenomics.

Notable Unlock Events of 2024

Token unlock events are key milestones in the crypto market. The release of locked tokens into circulation based on predetermined vesting schedules can influence price and funding rates, particularly in the short term. As such, this section analyzes the five biggest unlock events of 2024, focusing on price impact and funding rate trends over a 60-day window (-30 to +30 days).

Let's begin by defining "price impact" and "funding rate" before delving into the other sections of the chapter.

Price Impact

To account for Bitcoin's volatility, we can express a token's price in terms of Bitcoin, which expresses changes in the token's value relative to Bitcoin's performance. Given the unlock day T_0 , the price impact at day $t \in [T_0 - 30, T_0 + 30]$ is defined to be

$$\text{Price Impact}_t^{BTC} = \frac{\text{Relative Price}_t - \text{Relative Price}_{T_0}}{\text{Relative Price}_{T_0}} \times 100,$$

where

$$\text{Relative Price}_t = \frac{\text{Price of Token}_t(\text{USD})}{\text{Price of Bitcoin}_t(\text{USD})}.$$

A positive price impact indicates the token outperformed Bitcoin over the analyzed period, while a negative value shows underperformance.

Funding Rates

Funding rates reflect the balance of demand between long and short positions in the perpetual futures market. **Positive funding rates before an unlock may suggest optimistic sentiment**, while **negative funding rates may indicate bearish sentiment or market hedging strategies**.

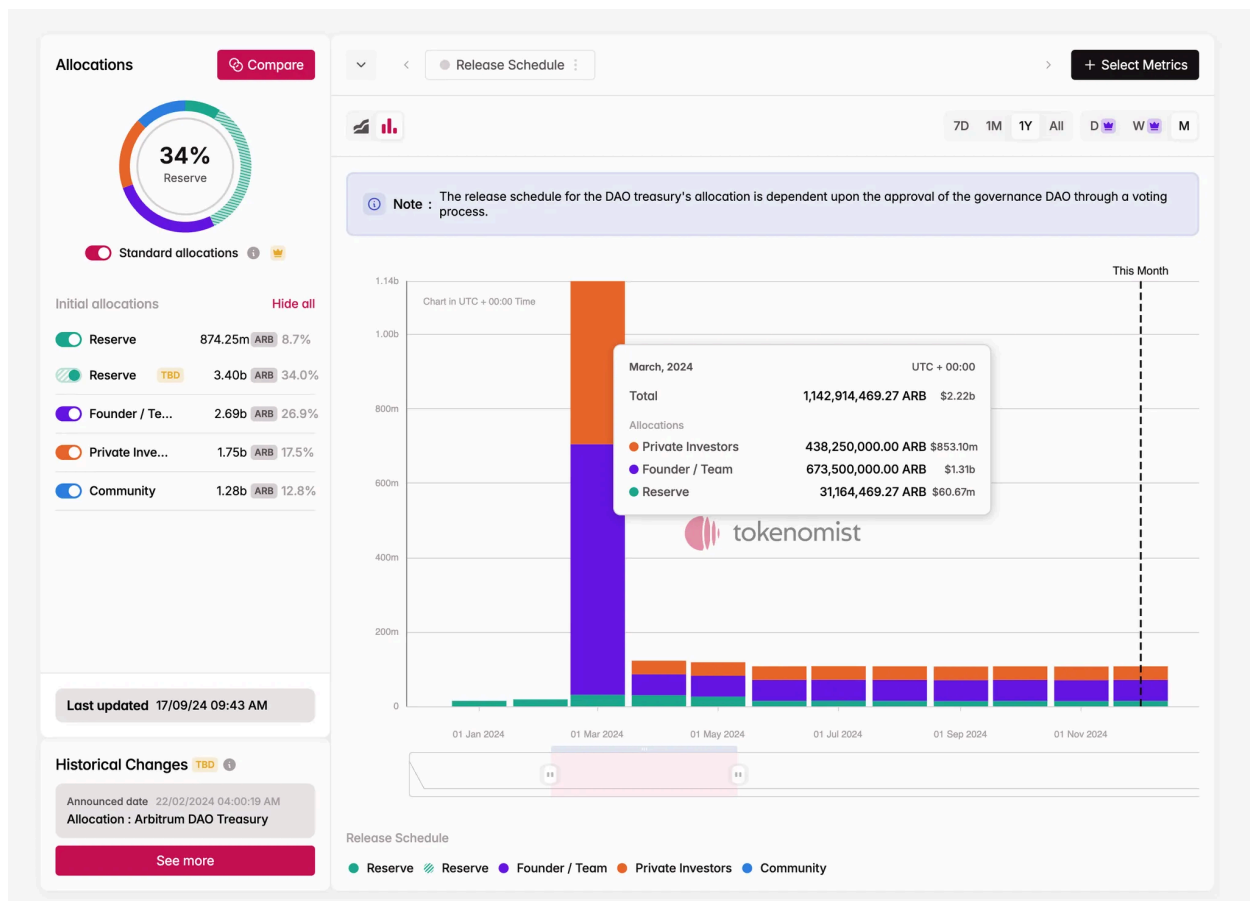
Additionally, funding rates may also be used to study spot vs. futures market dynamics. **Stable funding rates suggest that price impacts are largely spot market-driven**,

reflecting direct buying or selling activity. On the other hand, **heightened funding rate volatility indicates speculative activity in the futures market.**

By analyzing funding rates alongside price movements, we can gauge whether the market's expectations (as reflected in derivative positions) align with actual price trends. This provides valuable insights into market sentiment, especially around critical events like token unlocks.

Top 5 Unlock Events in 2024

1. Arbitrum (ARB): \$2.22 billion unlocked value



Source: <https://tokenomist.ai/arbitrum>

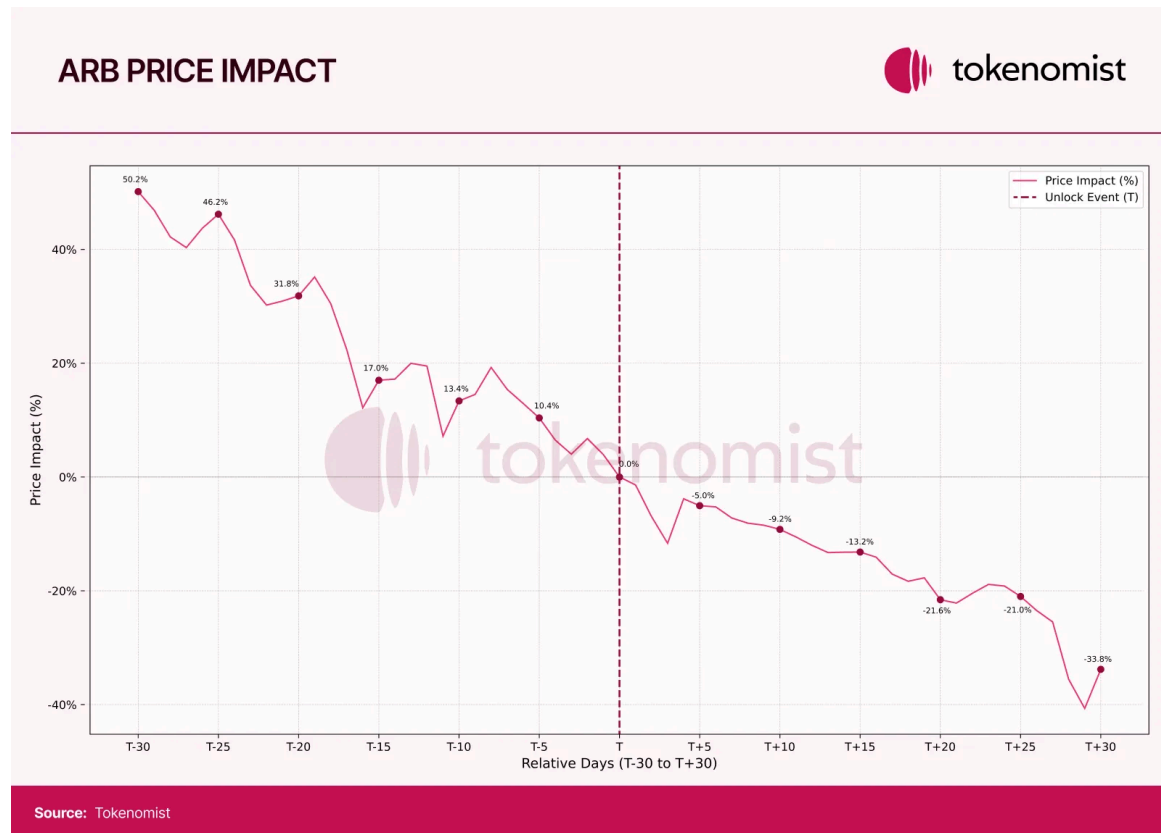
In March 2024, as Bitcoin reached a new all-time high of \$74,000, Arbitrum (ARB) held the largest token unlock event of the month, valued at **\$2.22 billion** at the time of unlock. This

was the first unlock for both Private Investors and Founder/Team, introducing significant new supply into the market.

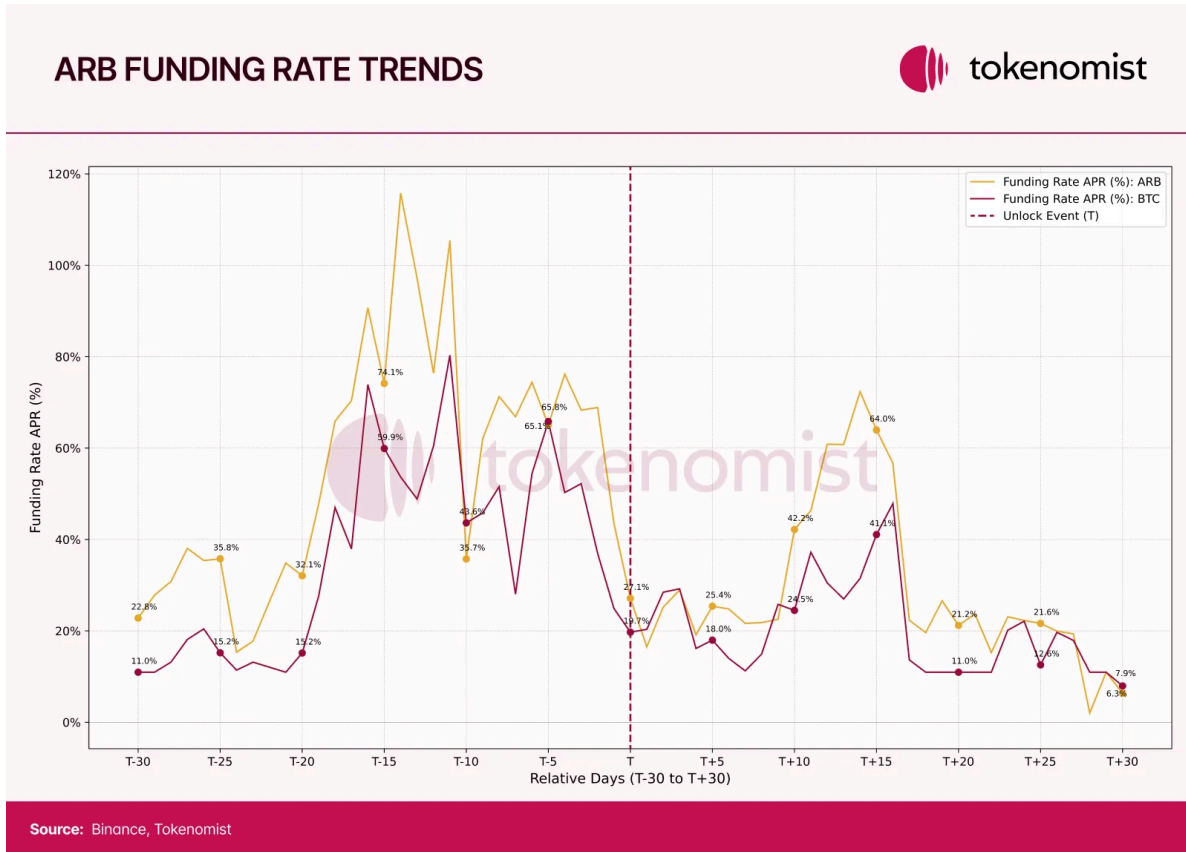
Standard Allocation	USD	Percentage
Private Investors	\$853.10 million	38.4%
Founder/Team	\$1.31 billion	59.0%
Reserve	\$60.67 million	2.6%

As seen in the table above, the majority of the unlock was allocated to Founder / Team, reflecting substantial rewards for early contributors. Private Investors also accounted for **38.4%**, marking a key vesting milestone for early investors in the project.

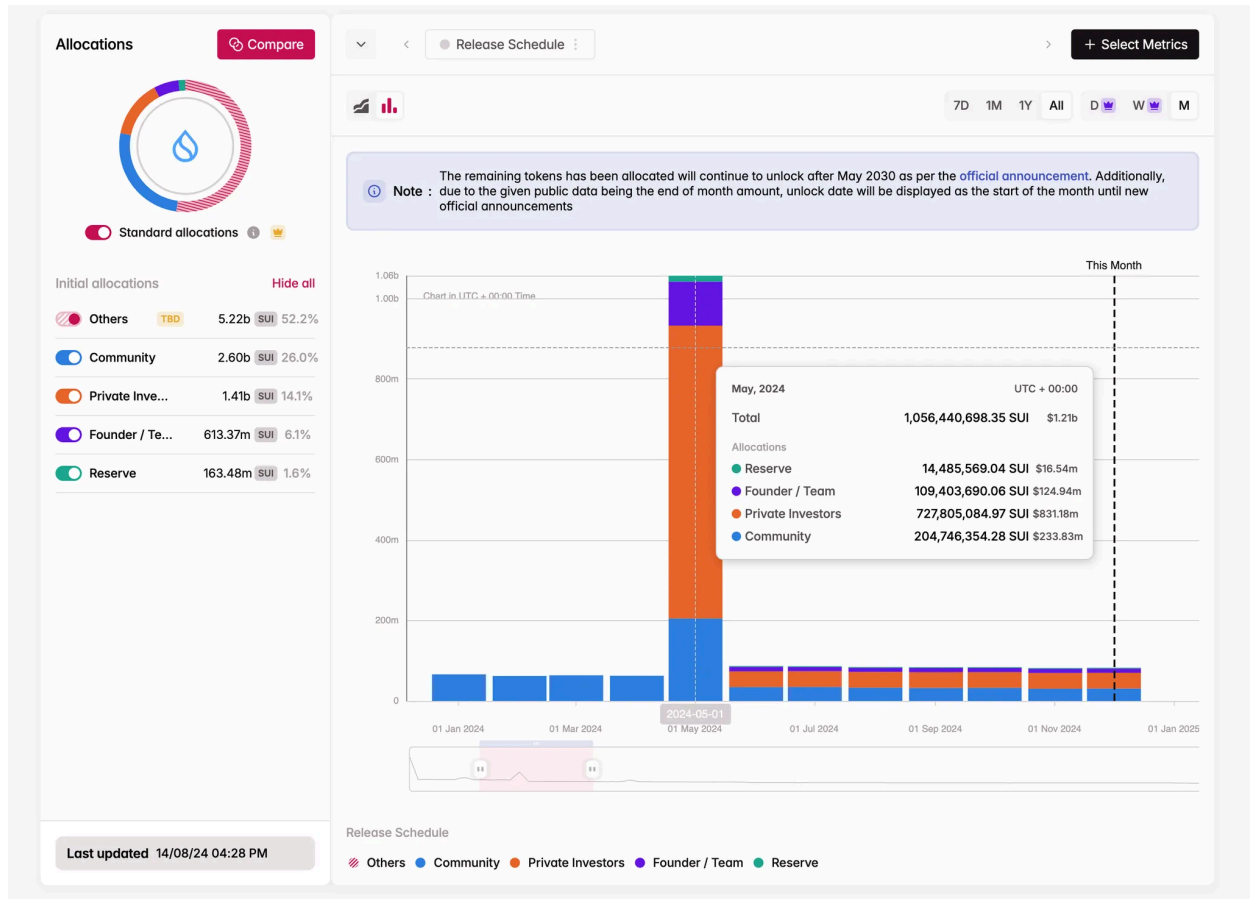
As for the price impact, ARB's price impact declined steadily before the unlock date, potentially reflecting cautious trading behavior due to the anticipated increase in supply. In the 30-day post-unlock period, ARB's price impact continued to decline by **33.8%**, which may correlate with increased supply entering the market.



Now turning to funding rate, we observe that ARB's funding rate closely mirrored that of BTC's during this 60-day window, yet remained consistently higher. This reflects a **higher demand for leveraged positions during that time.**



2. Sui (SUI): \$1.21 billion unlocked value



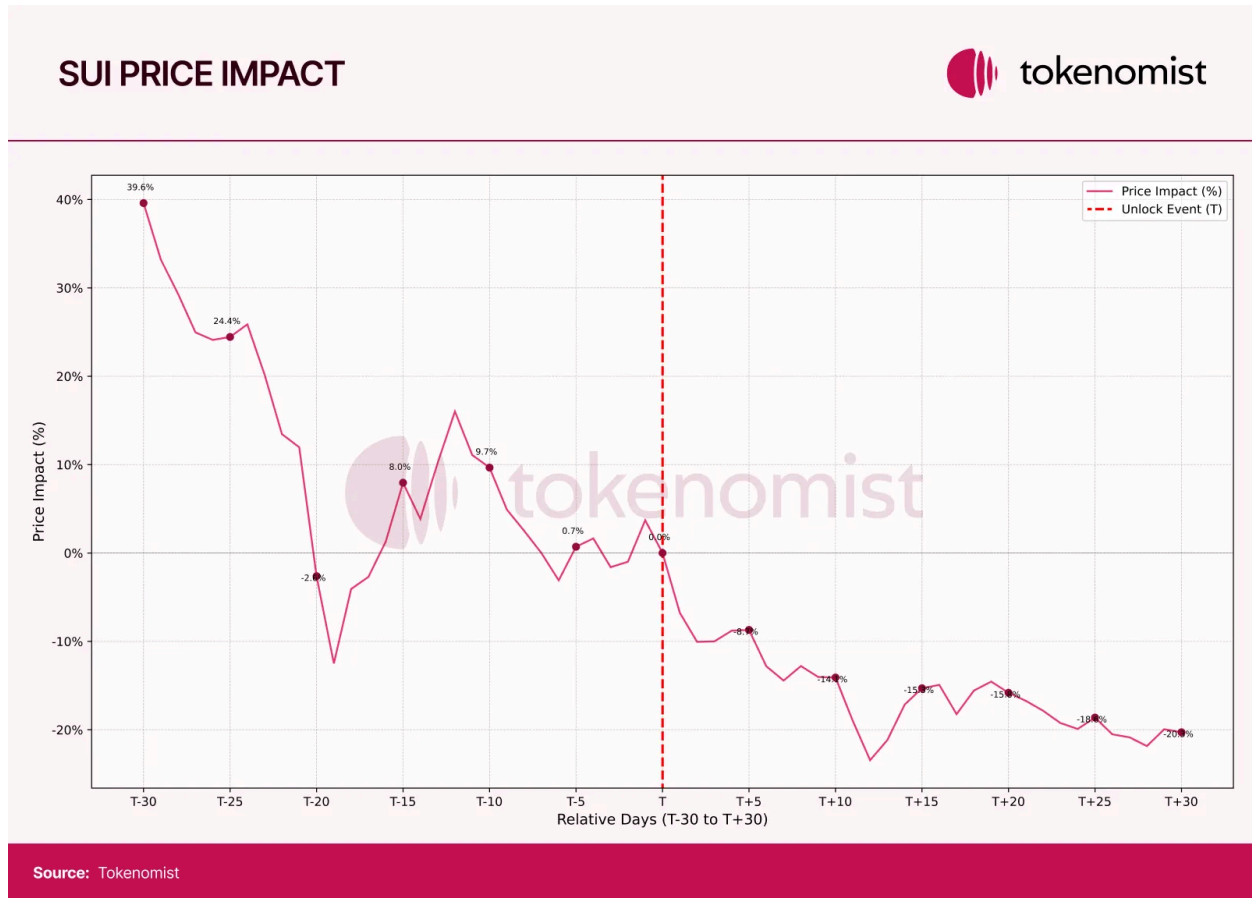
Source: <https://tokenomist.ai/sui>

The second-largest token unlock event of the year occurred in May 2024 for Sui (SUI), valued at **\$1.21 billion**. This unlock introduced significant supply, with the majority allocated to Private Investors.

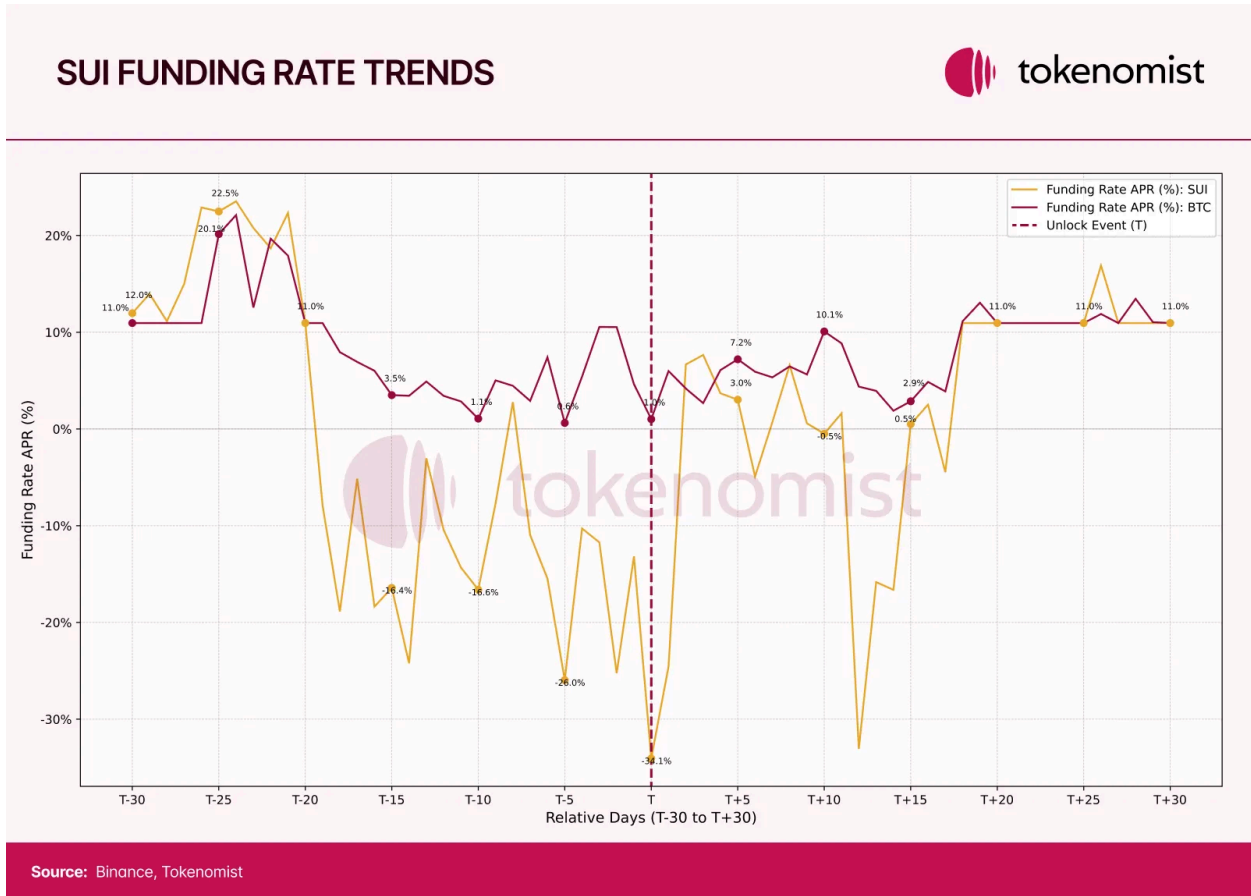
Standard Allocation	USD	Percentage
Reserve	\$16.54 million	1.37%
Founder/Team	\$124.94 million	10.32%
Private Investors	\$831.18 million	68.68%
Community	\$233.83 million	19.63%

From the table above, we see that Private Investors dominated the unlock with **66.68%**, unlocking **6.65x** more than the Founder / Team allocation. Additionally, the Community allocation contributed to nearly **20%** of the unlock, reflecting ongoing support for ecosystem growth.

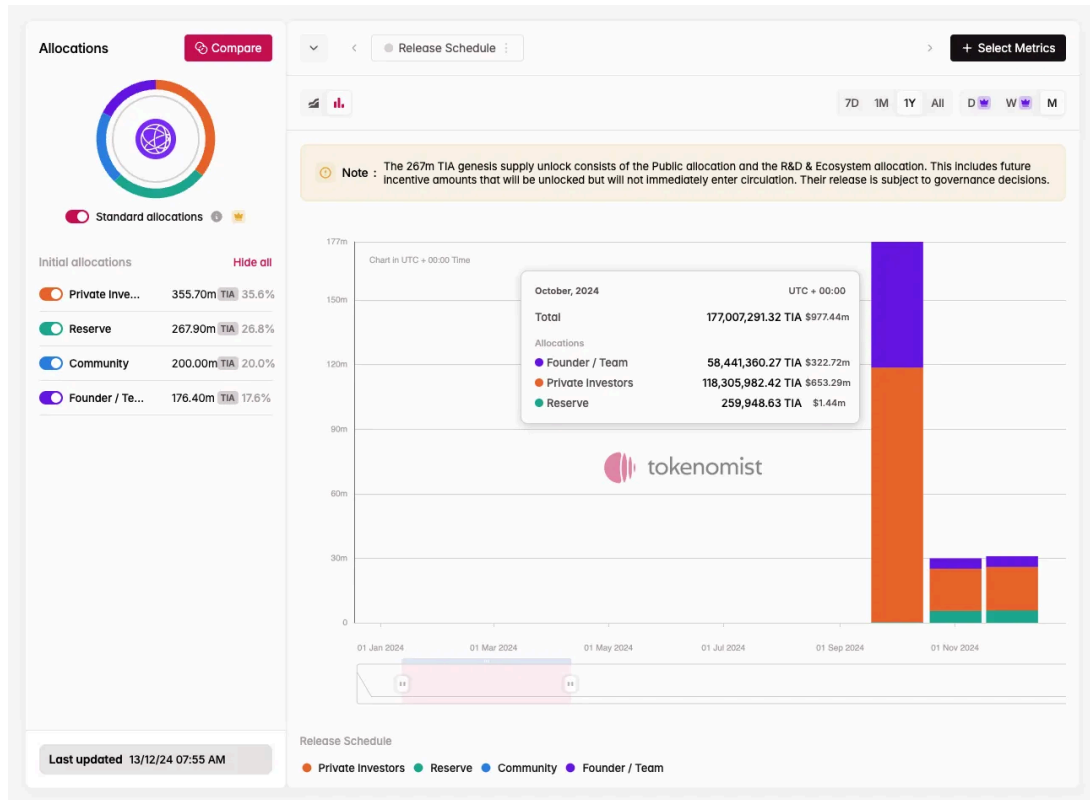
Analyzing the price impact, we see that SUI's price impact traded **+39.6%** above the unlock-day 30 days prior, and fell **20.3%** by the end of the 30-day post-unlock period.



As for funding rate, it shifted to negative territory 20 days before the unlock before bottoming out at **-34.1% on the unlock date**, indicating bearish sentiment in the run-up to the unlock event. It recovered to align with BTC's funding rate (~11.0%) approximately 20-days post unlock.



3. Celestia (TIA): \$977.44 million unlocked value



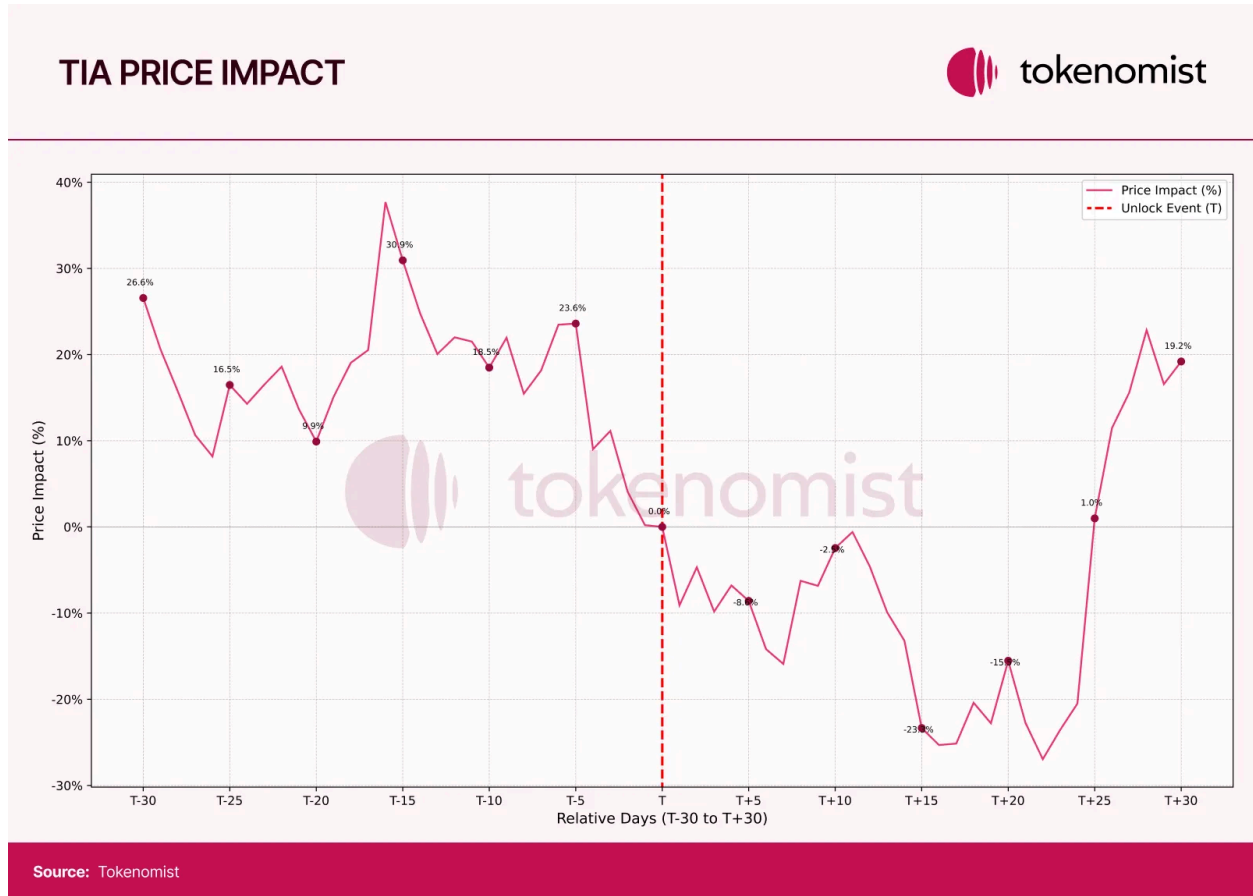
Source: <https://tokenomist.ai/celestia>

In October 2024, TIA conducted a significant unlock event valued at **\$977.44 million**. This was the first significant unlock of TIA following the TGE event. It was one of the largest unlocks of the year, with the majority allocated to Private Investors and the Founder/Team.

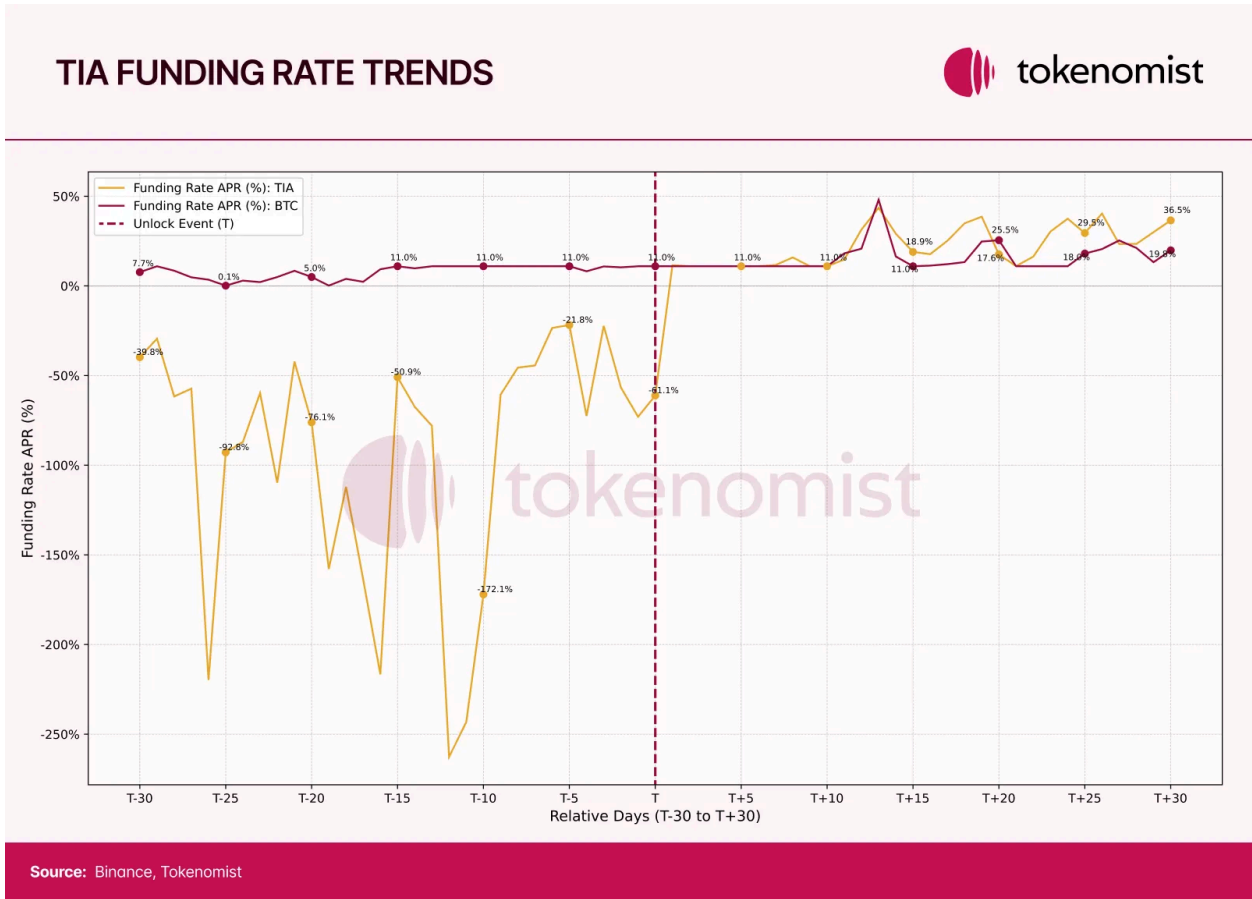
Standard Allocation	USD	Percentage
Private Investors	\$653.29 million	66.8%
Founder/Team	\$322.72 million	33.0%
Reserve	\$1.44 million	0.2%

Once again, we see a continuing trend of Private Investors and Founder / Team unlocks dominating, ensuring continued incentives for long-term contributors and early backers.

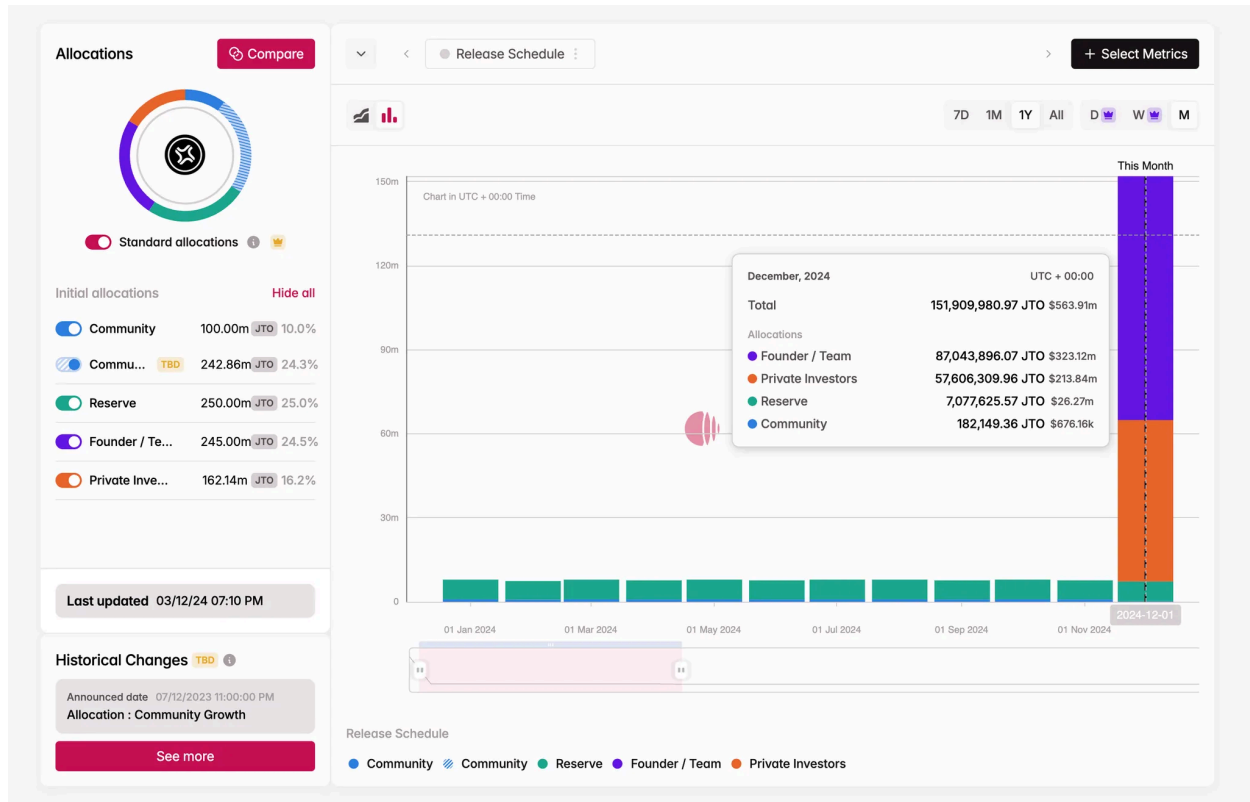
Taking a look at price impact, we also see fairly bearish sentiment in the lead-up to the unlock. TIA's price impact continued to decline following the unlock, reaching a low of **-25%** by 20 days after the unlock. However, it quickly rebounded, outperforming BTC by **19.2%** 30 days after the unlock.



The funding rate chart for this unlock is much more volatile than others we've seen so far. TIA's Funding Rate dropped **below 250.0%**, which, when compared to ARB's Funding Rate (+21%) and SU1's Funding Rate (-26.0%), shows significantly higher volatility. This was notable even though the overall crypto market in October was moving sideways. On the day of the unlock event, TIA's funding rate remained negative at -61.1%, but returned to being positive just a few days after the unlock, quickly aligning with BTC's funding rate.



4. Jito (JTO): \$563.91 million unlocked value



Source: <https://tokenomist.ai/jito-governance-token>

In December 2024, JTO concluded the year with a significant unlock event valued at \$563.91 million, releasing 151,909,981 JTO into circulation.

Standard Allocation	USD	Percentage
Founder/Team	\$323.12 million	57.3%
Private Investors	\$213.84 million	37.9%
Reserve	\$26.27 million	4.7%
Community	\$676.16k	0.1%

It should come as no surprise that Founder / Team dominated the unlock with **57.3%**, followed by Private Investors which accounted for **37.9%**.

As there was significant volatility in the market during that time, when observing the price impact we see that JTO's price impact went from negative to positive twice in the run up to the unlock. Following the unlock, the price impact continued to rise before dropping sharply to roughly **-15%**. By the end of the 30-day period, it had once again gone from positive back to negative.

JTO PRICE IMPACT



Source: Tokenomist

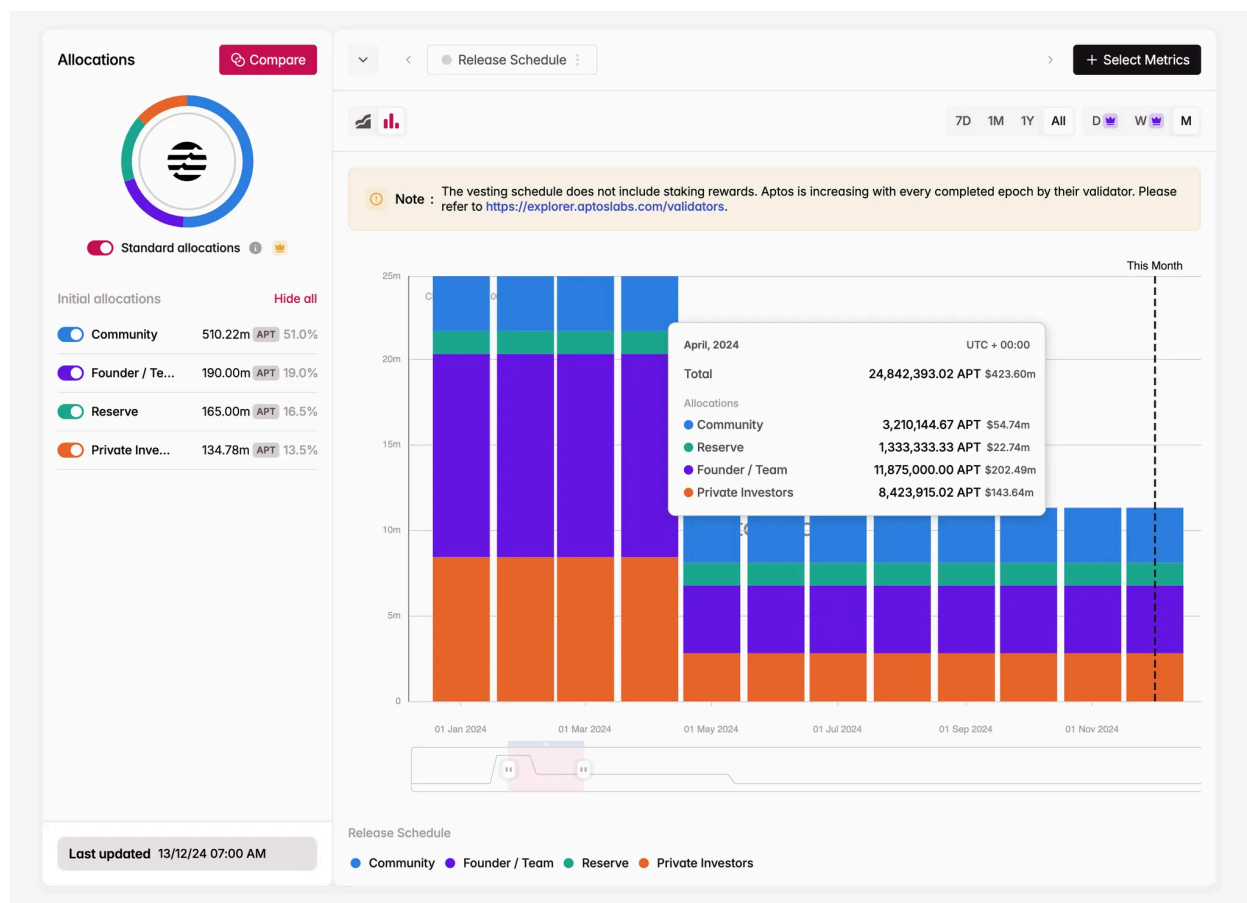
The funding rate trends also reflect this volatility. In the 30-day pre-unlock period, JTO's funding rate roughly matched that of BTC's, at times exceeding it and at times beneath it. However, in the 30 days following the unlock, we can observe that JTO's funding rate continued its volatility while BTC remained relatively calm.

JTO FUNDING RATE TRENDS



Source: Binance, Tokenomist

5. Aptos (APT): \$423.6 million unlocked value



Source: <https://tokenomist.ai/aptos>

The fifth largest unlock event of the year occurred in April 2024, in which Aptos (APT) had the largest unlock event of April, valued at **\$423.6 million**.

Standard Allocation	USD	Percentage
Founder/Team	\$202.49 million	50.17%
Private Investors	\$143.64 million	35.59%
Community	\$54.74 million	12.92%
Reserve	\$22.74 million	5.37%

Founder / Team and Private Investors once again held the largest shares of the unlock, but approximately 13% of it was allocated to Community efforts.

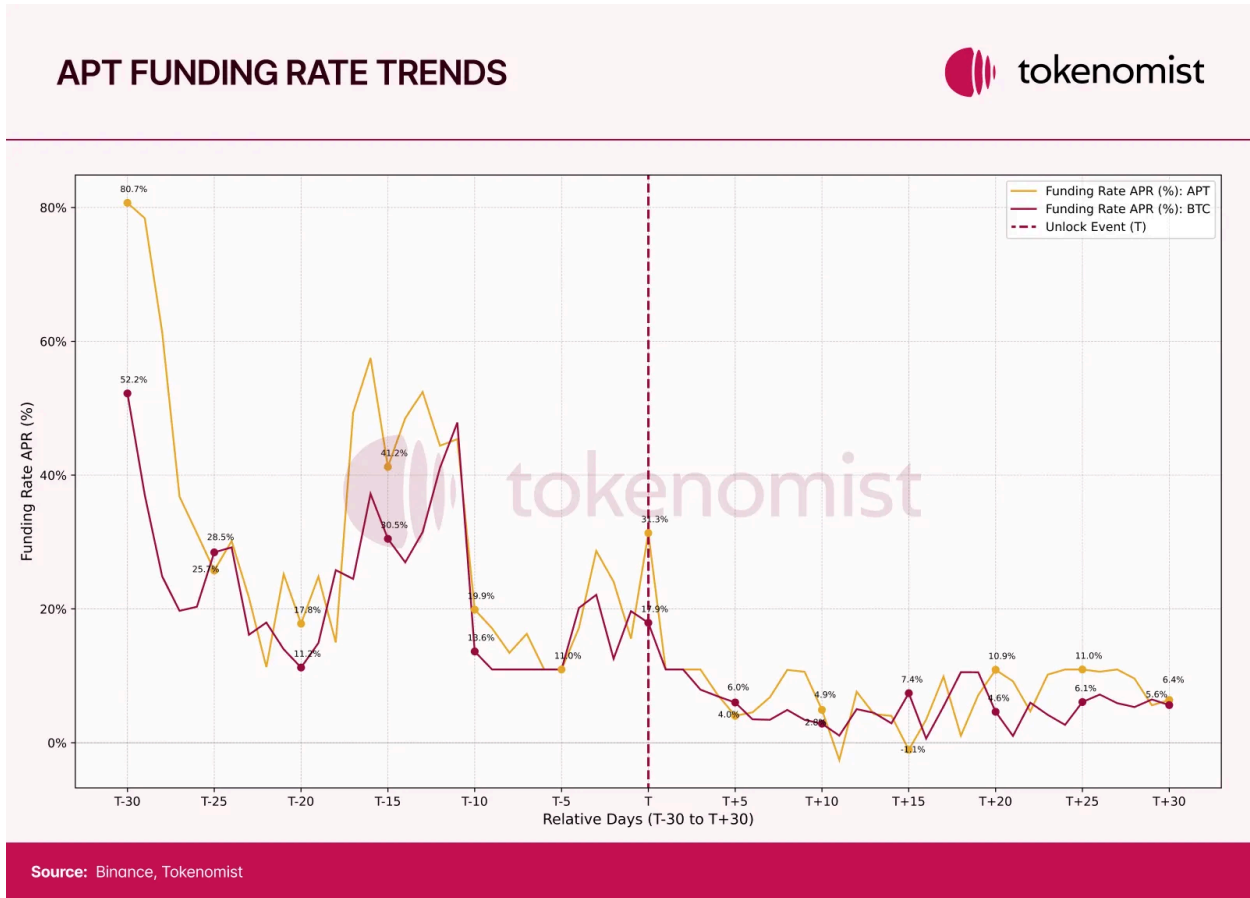
APT's price impact surged by approximately **51.7% over a 5-day period** (from 20 to 15 days before the unlock), driven by heightened trading activity and speculation. However, starting 15 days before the unlock, it began to decline steadily. In the post-unlock period, the price impact became negative and would remain that way for the next 30 days. During this period of time, the overall crypto market was also following a downtrend.

APT PRICE IMPACT



Source: Tokenomist

The funding rate trend of APT closely resembles that of BTC, similar to the funding rate trend of ARB. This indicates that price impact may have been due to more macro-level elements affecting the market as a whole.



Analysis

Having analyzed these unlock events, it's evident that pre- and post-unlock sentiment can vary significantly based on unlock size, market anticipation, macro conditions, and additional factors. Predicting outcomes based on these factors is inherently complex, but they can offer observations as to how key drivers may influence market behavior during unlock events.

In the run-up to these unlocks, it is important to analyze market anticipation, using price impact and funding rates. Price declines before unlocks may reflect market concerns above increased supply, while price surges before unlocks can indicate optimism or speculative activity. Before SU1's May 2024 unlock and TIA's October 2024 unlock, we saw fairly bearish sentiment reflected in both their price impact and funding rate. This aligns with the conception of token unlocks largely acting as bearish events, diluting supply and increasing selling pressure. However, at times the opposite is also true; unlocks can be a bullish signal, releasing more supply into circulation for buyers to snap up. We've seen that in the case of ARB, funding rates peaked at +115.8% pre-unlock, indicating leveraged long positions and heightened optimism.

Despite the insights these factors offer, one must also take into account the state of the market as a whole. During periods of downturn, there are larger factors at play which can dominate a token's price trajectory, as seen in the cases of JITO and APT. The funding rates for both of these tokens followed BTC's closely or had volatility when BTC's funding rate remained relatively constant.

Dozens of other potential factors play a role in the success of any given token as well. In the next section, we will explore two such metrics that have become increasingly prevalent in the past year: float and FDV.

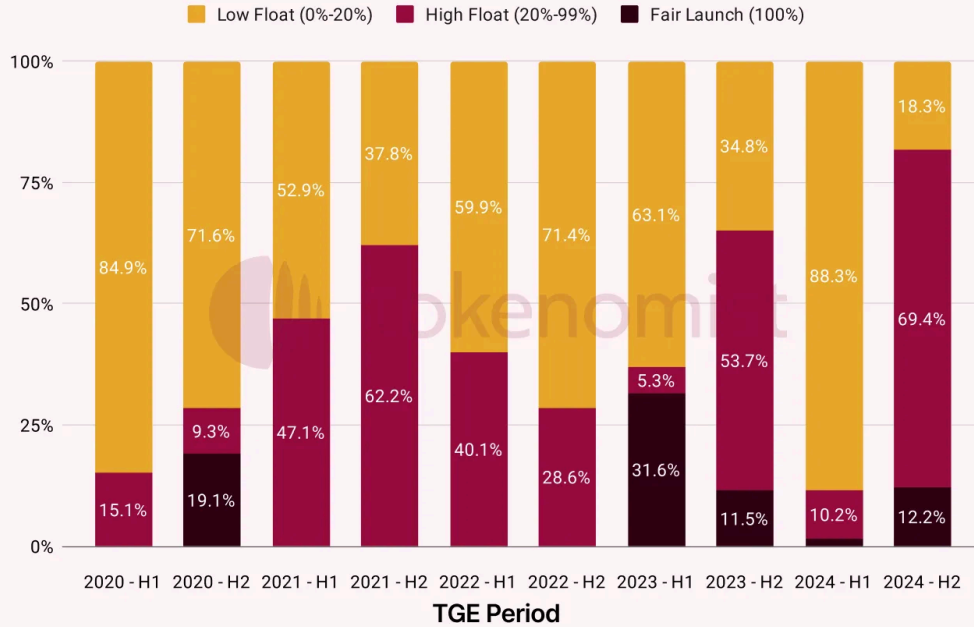
Low Float High FDV

Float, defined to be the ratio of circulating supply to maximum supply, has become an increasingly important metric when considering supply data. Low float high FDV (fully diluted valuation) tokens, characterized by a low circulating supply at launch but a high overall valuation, have become increasingly prominent in recent times. This model enables rapid price appreciation due to limited liquidity but faces criticism for its long-term sustainability as subsequent token unlocks often exert downward pressure on the market. This section aims to examine the historical context, trends, and implications of this tokenomics model, offering a data-driven perspective on its viability.

Although the prevalence of low float high FDV tokens has surged recently, this model is not new. It first gained significant attention during the 2020–2021 bull run. A notable example is Curve (CRV), which launched in August 2020. [Prominent crypto investor Jason Choi used CRV to highlight the risks associated with this model.](#) Within seven hours of trading, CRV's market cap increased from \$2 million to \$6 million. However, the token's FDV at launch was nearly half of Bitcoin's market cap, a valuation that proved unsustainable. Early investors faced steep losses, with prices dropping 50% shortly after launch due to dilution from inflation and early sellers exiting their positions.

CRV's case revealed a key issue: the initial price action of low float high FDV tokens can mislead investors who overlook the long-term impact of future dilution. Despite its exaggerated inflation mechanisms, CRV served as a precursor to a broader trend that has since evolved.

M.CAP SHARE HIGH FLOAT LAUNCH VS LOW FLOAT LAUNCH



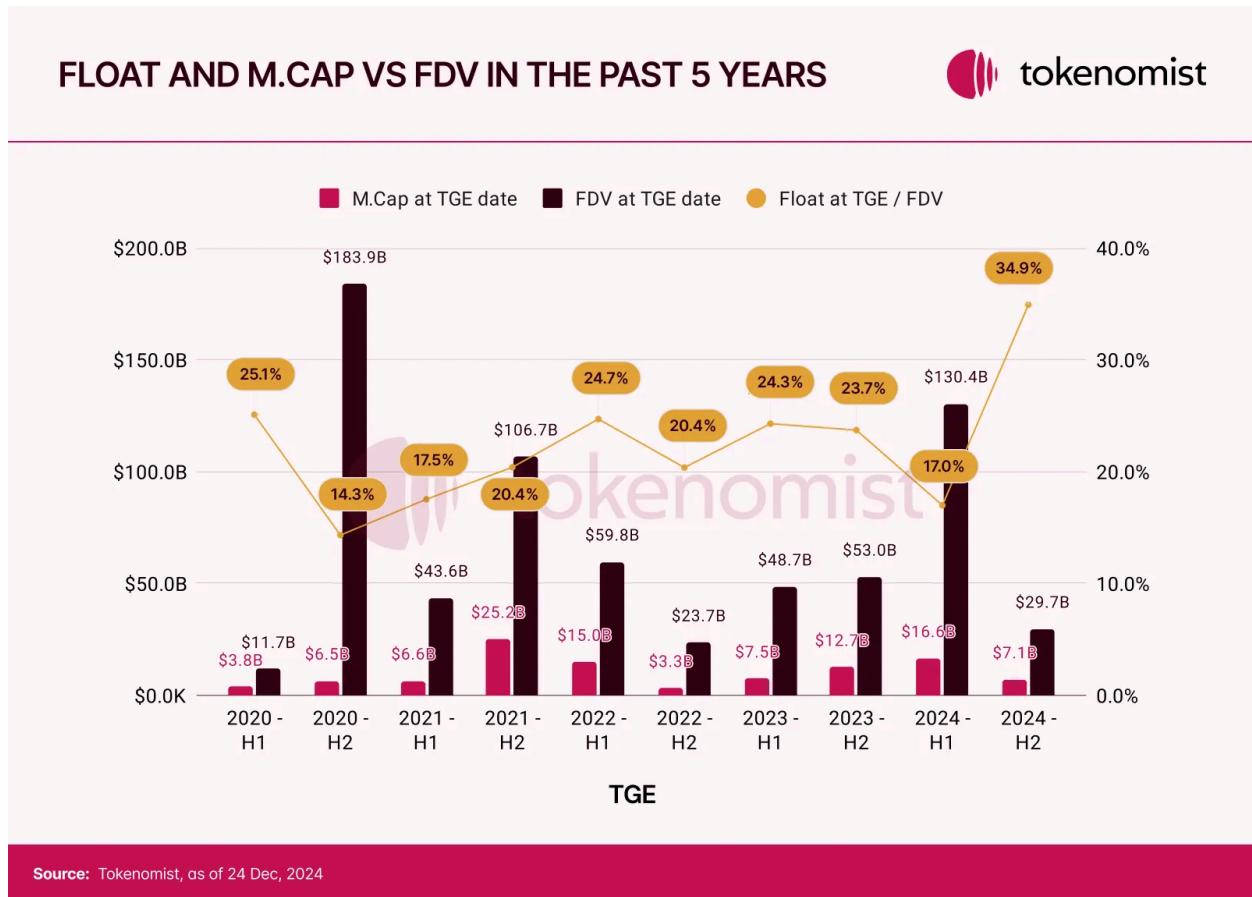
Source: Tokenomist, as of 24 Dec, 2024

An analysis of token launches from 2020 to 2024 reveals distinct patterns in the adoption of low float high FDV models. These tokens were particularly prevalent in late 2020 and early 2024, periods preceding Bitcoin halvings and subsequent bull markets.



BTC's 4-year halvings – Source: [Glassnode](#)

Over time, the crypto community has become increasingly aware of the risks associated with this model, prompting adaptations in the tokenomics of recent projects. One significant trend is the shift in float at launch / FDV ratios. **By late 2024, the average ratio had risen to approximately 35%**, reflecting greater scrutiny from investors. For instance, [Binance introduced listing criteria that consider float at TGE](#), encouraging projects to prioritize sustainable tokenomics.

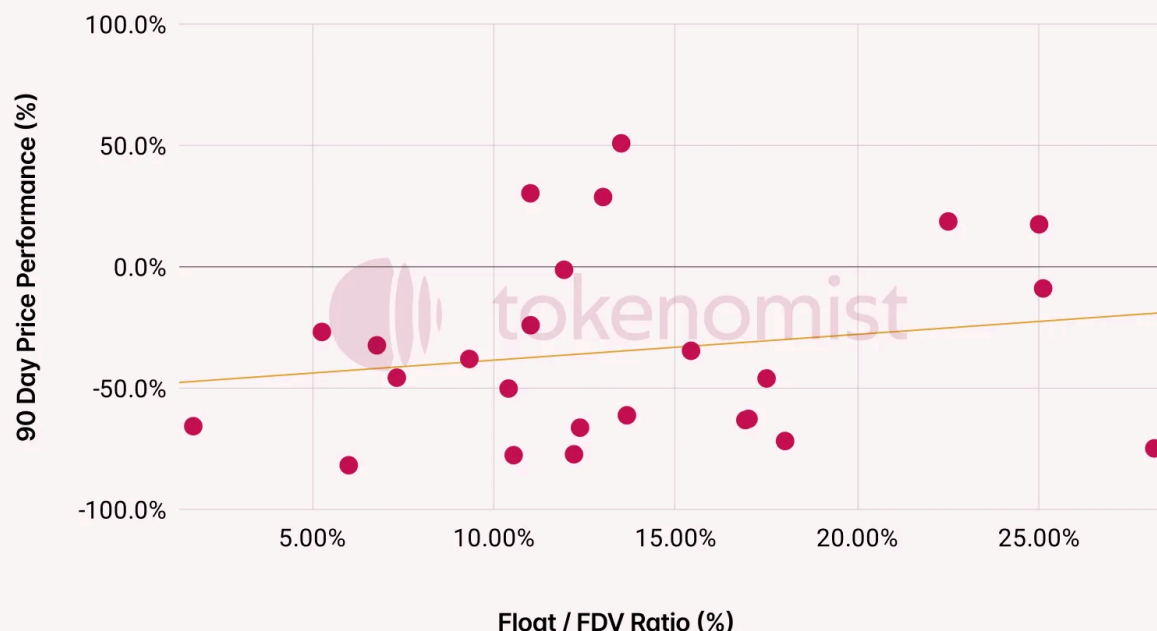


To further understand the impact of low float high FDV models, we analyzed the performance of altcoins launched in 2024. Key metrics, including FDV, market cap, float at TGE, price performance, and price delta, were aggregated for the top 25 altcoins ranked by FDV at TGE date.

Token	Float at TGE	90 Day Price Performance	Market Cap at TGE	FDV at TGE	TGE Date
STRK	7.32%	-45.8%	\$1.4B	\$19.1B	2024-02-20
W	18.01%	-71.9%	\$2.4B	\$13.3B	2024-04-03
ENA	6.78%	-32.4%	\$800.2M	\$11.8B	2024-04-02
MOVE	22.50%	18.6%	\$1.6B	\$7.3B	2024-12-09
JUP	13.50%	50.8%	\$894.5M	\$6.6B	2024-01-31
SAGA	6.00%	-81.8%	\$391.4M	\$6.5B	2024-04-09
HYPE	37.31%	345.6%	\$2.4B	\$6.5B	2024-11-29
EIGEN	11.93%	-1.3%	\$766.4M	\$6.4B	2024-10-01
ZK	17.50%	-46.1%	\$789.3M	\$4.5B	2024-06-17
VENOM	28.17%	-74.9%	\$1.2B	\$4.1B	2024-03-25
ZETA	11.01%	-24.1%	\$381.6M	\$3.5B	2024-02-01
ZRO	25.00%	17.4%	\$860.4M	\$3.4B	2024-06-20
ZKJ	1.72%	-65.8%	\$55.9M	\$3.2B	2024-03-19
AEVO	12.20%	-77.3%	\$393.2M	\$3.2B	2024-03-13
ALT	11.00%	30.2%	\$352.2M	\$3.2B	2024-01-25
ETHFI	13.00%	28.7%	\$408.7M	\$3.1B	2024-03-18
IO	13.66%	-61.3%	\$384.3M	\$2.8B	2024-06-11
PIXEL	15.42%	-34.7%	\$429.4M	\$2.8B	2024-02-19
BLAST	17.00%	-62.7%	\$463.2M	\$2.7B	2024-06-26
OMNI	10.40%	-50.2%	\$281.4M	\$2.7B	2024-04-17
ATH	5.26%	-26.9%	\$139.3M	\$2.6B	2024-06-12
TAIKO	9.32%	-38.0%	\$226.1M	\$2.4B	2024-06-05
PORTAL	16.92%	-63.2%	\$400.6M	\$2.4B	2024-02-29
MERL	10.54%	-77.7%	\$247.2M	\$2.3B	2024-04-19
ONDO	14.30%	275.8%	\$313.9M	\$2.2B	2024-01-18
Average	14.23%	-6.8%	\$720.3M	\$5.2B	
Median	13.00%	-38.0%	\$408.7M	\$3.2B	

With the exclusion of outliers such as Hyperliquid and Ondo Finance, the data suggests that **float at TGE did not strongly correlate with price performance in this year**, which can be visualized in the scatter plot below. There are a variety of reasons as to why this may be the case. Most notably, heightened demand and liquidity combined with an increased focus on hype-driven / sentiment related narratives during the latest bull cycle may have rendered float less relevant to price performance. Alternatively for some tokens, the evolution of tokenomics to include new dimensions such as inflationary or deflationary tokenomics, and/or staking, may have diluted the impact of float at TGE as well.

90 DAY PRICE PERFORMANCE VS. FLOAT AT TGE



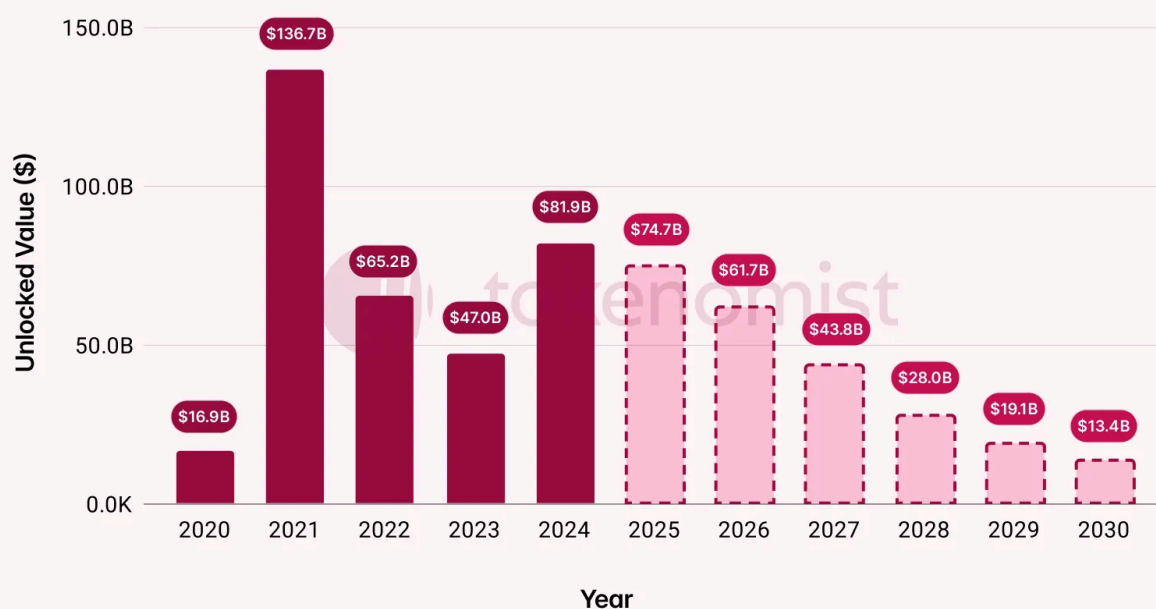
Source: Tokenomist, as of 24 Dec, 2024

*Scatter plot of 90 day price performance vs float / FDV ratio at first price date.
Removed outliers such as HYPE, ONDO.*

As mentioned above, there have been exceptions to the norm. Hyperliquid launched without venture capital (VC) unlocks, allocating 33% of its token supply to community airdrops. This approach fostered decentralization and community engagement, setting a benchmark for equitable token launches.

The chart below shows the total value of token unlocks from 2020 to 2030, revealing some striking patterns from the past two bull cycles. **Total unlock value peaked dramatically in 2021 at \$136.7B, more than eight times the value seen in 2020 (\$16.9B).** Although not as much of a jump, the **total unlock value in 2024 (\$82B) is approximately double of the previous year (\$47B).** This peak aligns with the height of the last bull market when many projects launched with large token allocations locked for future release.

TOTAL UNLOCK VALUE OF 378 LISTED TOKENS



Source: Tokenomist, as of 24 Dec, 2024

Looking ahead, the market faces significant unlock pressures. **From 2024 to 2025, more than \$150 billion in combined token unlocks are expected, with approximately \$82 billion absorbed in 2024 alone.** This represents a near-term risk to market stability. However, as vesting schedules are completed, declining unlock pressure may contribute to long-term market stabilization.

It is important to note that these projections are based on data from 378 tokens tracked by Tokenomist, representing a subset of the market. New token launches and changes in existing tokenomics, such as relocking or burning mechanisms, could alter these dynamics. Additionally, we have included tokens with allocations that may represent token issuance mechanisms, such as mining or staking rewards. While these issuances are not the result of a traditional token unlock mechanism, their inclusion is due to our mission to wholly incorporate all aspects of supply data.

The low float high FDV token model has proven to be a double-edged sword. While it can drive rapid price appreciation, it also poses significant risks due to future dilution and unsustainable valuations. **As the crypto market matures, both investors and projects**

must carefully evaluate tokenomics to ensure alignment with long-term objectives.

The evolution of token distribution mechanisms, such as those seen with Hyperliquid, offers promising alternatives that prioritize fairness and sustainability.

One of the fairest distribution methods are those of memecoins, with the majority of them opting to adopt the fair launch model. Memecoins, and more recently, AI agents, have had remarkable performance throughout 2024. We will explore these key sectors and their growth in the following section.

Key Sectors

Throughout 2024, Bitcoin maintained its dominance in the cryptocurrency market, drawing increasing investment from traditional financial sectors. However, there has been growing sentiment regarding the underwhelming performance of altcoins. Despite experiencing a surge in growth toward the end of the year, many altcoins have failed to follow Bitcoin's lead.



Source: [Glassnode x Fasanara Digital Assets Report Q4 2024](#)

Analyzing the data, **among the top 250 altcoins by market capitalization, only 28.1% outperformed Bitcoin**, while 45.5% surpassed Ethereum's performance.

PIE CHARTS OF TOP 250 ALT COINS PERFORMANCE IN COMPARISON WITH BTC AND ETH



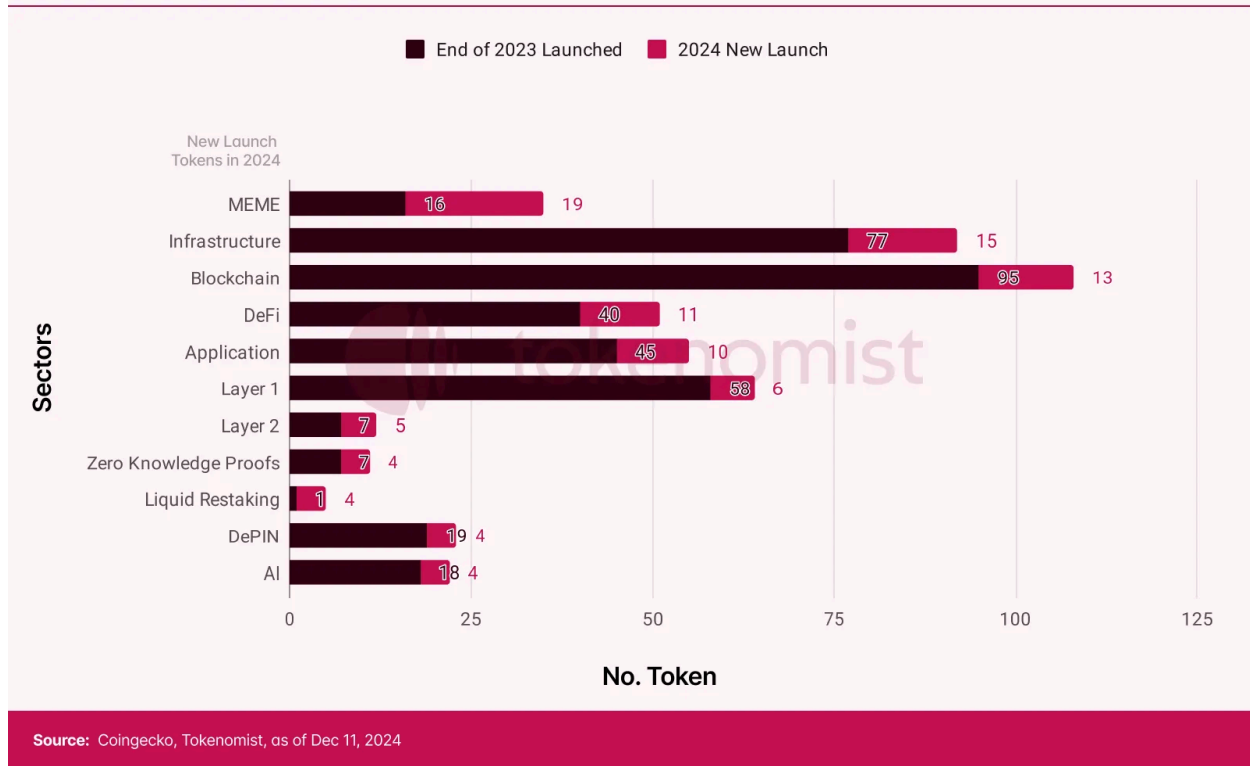
Source: Coingecko, Tokenomist, as of Dec 11, 2024

Memecoins: A Standout Performer

Category	YTD vs USD	YTD vs BTC	YTD vs ETH	No. of tokens
MEME	536.42%	177.93%	300.10%	35
Data Services	138.00%	3.94%	49.63%	4
AI	89.34%	-17.31%	19.03%	22
Lending	87.84%	-17.97%	18.09%	4
Oracles	87.82%	-17.98%	18.08%	4
RWA	86.13%	-18.71%	17.02%	13
CEX	76.38%	-22.97%	10.88%	11
Launchpad	65.33%	-27.80%	3.94%	1
DePIN	61.21%	-29.60%	1.35%	23
Liquid Staking	39.63%	-39.02%	-12.22%	6
Application	33.15%	-41.85%	-16.29%	55
DeFi	33.15%	-41.85%	-16.29%	51
Layer 1	25.20%	-45.33%	-21.29%	66
DEX	24.61%	-45.58%	-21.66%	21
Game	20.59%	-47.34%	-24.19%	16
Infrastructure	17.69%	-48.60%	-26.01%	94
Blockchain	16.74%	-49.02%	-26.61%	110
Metaverse	16.57%	-49.09%	-26.72%	9
NFT	16.57%	-49.09%	-26.72%	15
Bridge	12.56%	-50.84%	-29.24%	6
Marketplace	12.31%	-50.96%	-29.40%	10
Data Availability	4.76%	-54.25%	-34.14%	4
Account Abstraction	-3.42%	-57.82%	-39.28%	6
Custody	-4.85%	-58.45%	-40.18%	4
Zero Knowledge Proofs	-18.36%	-64.35%	-48.68%	11
Liquid Restaking	-23.63%	-66.65%	-51.99%	5
Layer 2	-23.74%	-66.70%	-52.06%	12
Derivatives	-31.78%	-70.21%	-57.11%	6
Perpetuals	-33.68%	-71.04%	-58.31%	5
Modularity	-37.96%	-72.91%	-61.00%	9
Layer 3	-44.97%	-75.97%	-65.41%	2

In contrast to the broader altcoin market, one sector has significantly outpaced its peers: memecoins. This sector has demonstrated exceptional growth in 2024, achieving a **536% year-to-date return**—a performance that exceeded Bitcoin and Ethereum by **177%** and **300%**, respectively. Notably, **out of the 54 top market cap tokens launched this year, 19 were memecoins.**

TOP 10 MOST ACTIVE SECTORS



The remarkable success of memecoins raises important questions about the factors driving their appeal and sustained popularity. This section explores the data and motivations behind this unique phenomenon.

The Appeal of Memecoins

One of the primary factors driving the appeal of memecoins is their **fair-launch model**, where the entirety of their token supply is made available to the community from day one. This approach ensures 100% float, aligning with the core principles of cryptocurrency: fairness, transparency, and decentralization. Unlike many other projects, memecoins avoid excessive team allocations or early investor privileges, fostering equitable participation.

This fair-launch model has resonated strongly with investors, particularly as dissatisfaction grows with venture capital-backed projects. Such projects are sometimes critiqued for

having complex tokenomics and allocation structures that may appear to favor early stakeholders.

Additionally, memecoins offer **simpler, more accessible narratives** compared to other altcoins, which often require significant technical expertise to evaluate. Memecoins focus on community engagement and cultural relevance, making them an effective onboarding tool for newcomers to cryptocurrency. For instance, as illustrated in the chart from [Kaito](#) below, **the mindshare of memecoins has effectively doubled since the start of the year.**



Meme sector mindshare – Source: [Kaito](#)

Community Long Term Incentive Alignment

The conventional approach to Web3 community building has primarily relied on token airdrops as incentives for early contributors. These rewards typically target individuals who create content, participate in discord, or engage in protocol-specific activities. While this model effectively generates initial interest, our analysis reveals significant drawbacks in long-term community retention. **Research shows that airdrop hunters tend to sell tokens upon receipt**, particularly when allocations fall below expectations, leading to community disengagement and potential negative sentiment toward the protocol.

Our research indicates that memecoin projects have demonstrated remarkable success in building sustainable communities through an innovative approach to incentive alignment. These projects effectively merge team and community interests, creating what market participants describe as "the best marketing is number go up". Drawing from Murad's framework, **successful crypto communities often exhibit characteristics similar to cult-like followings**, characterized by devoted adherents and distinctive shared beliefs. This phenomenon creates a strong mutual passion among participants, leading to enhanced retention rates and organic growth through community-driven initiatives. This approach creates a gamified environment where users feel directly connected to the project's success and are incentivized to maintain long-term engagement.

Community Takeovers: A New Paradigm

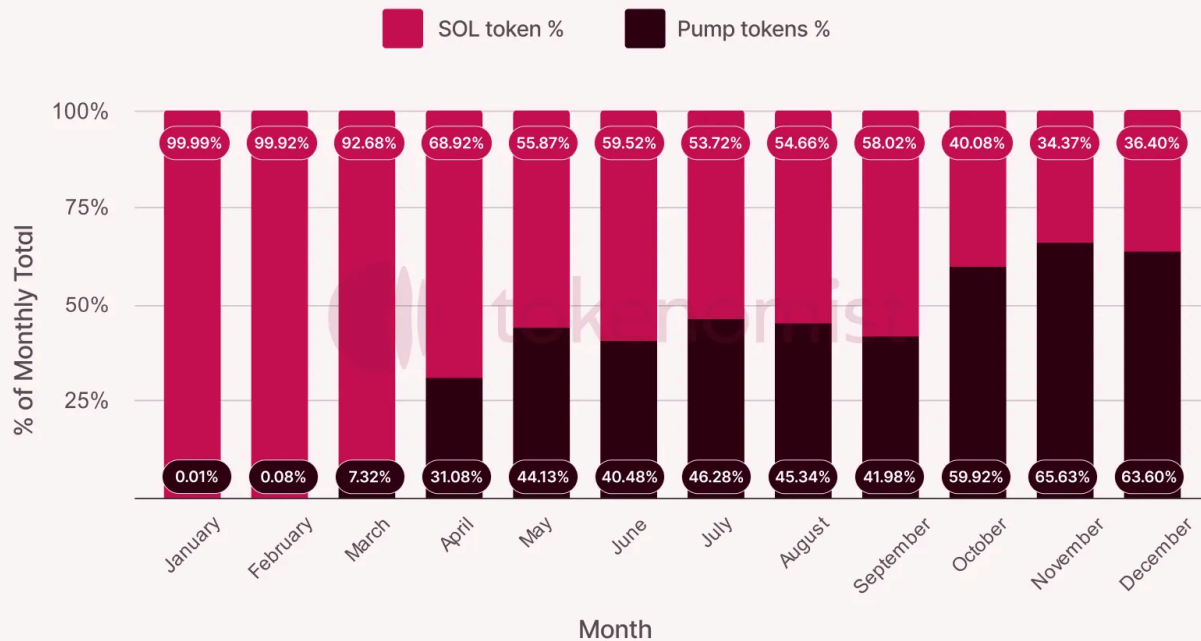
An emerging trend in protocol governance involves new phenomenon [community takeovers \(CTOs\)](#). CTO will happen when the original developers of a project abandon it, allowing the community of users and token holders to take control over its future direction and management. When a project transitions to community ownership, token holders become both owners and operators. **This dual role fundamentally changes their relationship with the project.** Community members must actively participate in governance, development, and marketing to preserve and enhance the value of their holdings.

Consider the example of [FLOKI's community takeover](#). After experiencing two instances of founder abandonment, the community faced a critical choice: allow the project to fail or assume collective responsibility. By choosing the latter, community members created a new incentive structure where their individual success became inextricably linked to their collective efforts to improve the protocol.

Catalysts for Growth

A major catalyst for the memecoin phenomenon in 2024 was [pump.fun](#), a Solana-based platform that democratized token creation. This platform allows users with minimal technical knowledge to easily create and trade their own tokens, effectively lowering the barriers to entry. **Since its launch in January 2024, over 5,581,665 have been created on pump.fun as of January 6th, 2025.** As shown in the chart below, **a majority of Solana-based tokens are now launched through pump.fun rather than traditional methods.**

PUMP.FUN MONTHLY TOKEN LAUNCH DOMINANCE IN 2024

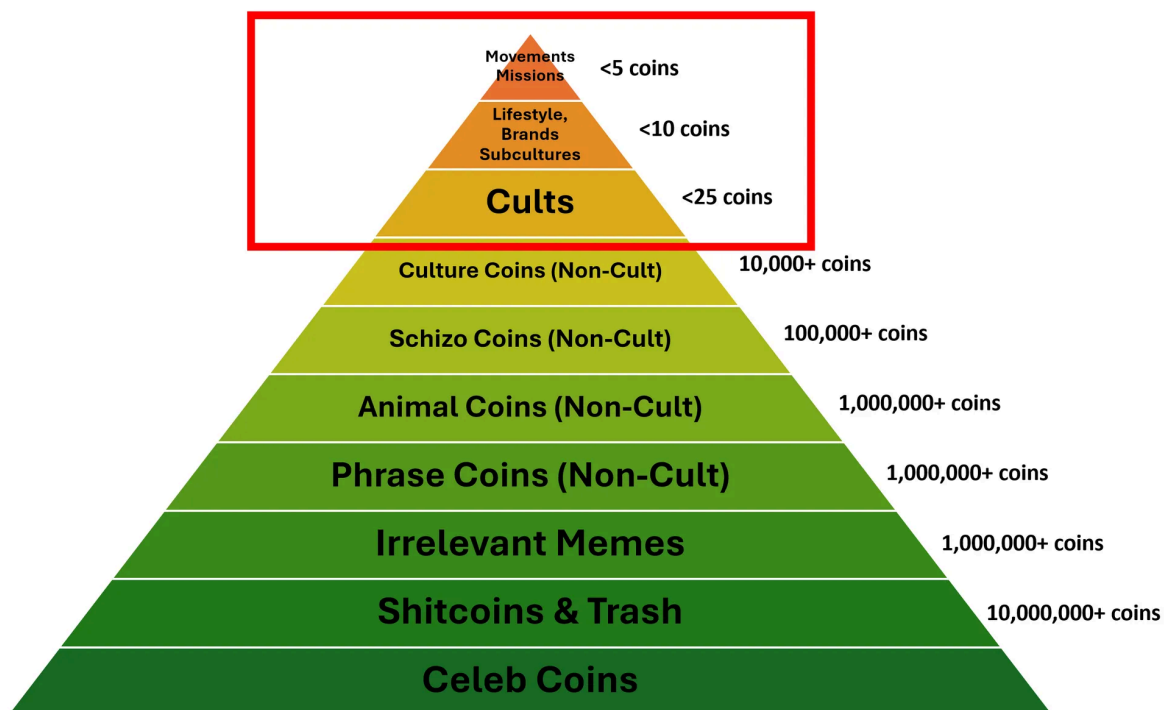


Source: Tokenomist, Dune Analytics (@tiagocryptonary)

Several memecoins launched on pump.fun have gone viral, including MOODENG, PNUT, and CHILLGUY. The platform has also attracted celebrities such as Iggy Azalea, who launched MOTHER, and Jason Derulo, who introduced JASON. Pump.fun's success has also spurred competition, with other blockchain ecosystems exploring similar platforms to capitalize on the growing interest in fair-launch tokens.

Risks and Limitations

Despite their popularity, memecoins carry inherent risks. Like their untokenized counterparts, **memes are fads by nature**, often experiencing rapid rises in popularity followed by equally swift declines. For instance, PolitiFi tokens tied to the U.S. election lost relevance after the announcement of the victor. Similarly, **oversaturation of duplicate memes can dilute their impact**, as highlighted by Murad's "Memecoin Pyramid," which illustrates the small proportion of successful memecoins compared to those that fade into obscurity.



Murad's Memecoin Pyramid – Source: [The Memecoin Supercycle – TOKEN2049](#)

The long-term success rate of memecoins is notably low. According to [Chainplay's State of Memecoins 2024](#), the average lifespan of a memecoin is one year, with 97% of memecoins eventually deemed “dead” (defined as having a 24-hour trading volume below \$1,000 USD, liquidity under \$50,000, and no updates on Twitter for three months). At present, only one pump.fun memecoin boasts a market capitalization exceeding \$1 billion, while eight have market caps above \$100 million.

Another critical risk is the potential for malicious activity. Despite being fair-launched, insiders or developers may still control a majority of tokens, undermining the principles of decentralization and allowing for rug pulls. Although [pump.fun](#) has methods to counter this, primarily through its bonding curve mechanism and “graduation” of tokens to Raydium, scams can still slip through undetected. Despite their fair-launch model, there have been a notable number of cases involving team or insiders making use of dummy wallets to snipe memecoins as well. It is worth consulting sites like [gmgn.ai](#) for metrics to analyze risk, e.g., top 10 token holders, blacklists, dev activity, and bubblemaps.

AI Agents

Another standout sector in 2024 were AI agents. AI Agents are essentially autonomous entities able to perform tasks and interact with other users/agents, leveraging blockchain technology for on-chain operations. They have been likened to memecoins on steroids, as [they combine elements of memes, AI, and social media to create autonomous entities](#) that engage users and propagate themselves. In 2024, we saw major players like Virtuals and ai16z emerge, providing frameworks for developing and deploying AI agents. Virtuals themselves have adapted pump.fun's bonding curve mechanisms for AI agents, allowing users to launch an agent token which would be paired in a liquidity pool on Uniswap once a target market cap has been reached.

In his post on 2025 Crypto [Predictions](#), managing partner at Dragonfly Capital Haseeb Qureshi envisions that AI Agent related tokens will flip memecoins in the year to come. He argued that unlike KOLs and influences, agents never sleep, are conformist to majority opinions, and are less self-interested. They also excel at the aggregation and amplification of information in real time. Current agents like [aixbt](#), an information aggregator that scrapes social media data to produce an alpha feed, shows promise for incremental improvements over the next year or two.

Despite this, Qureshi predicts that in time **the novelty of these agents may wear thin**. An overabundance of AI agents may cause a reverse of sentiment, and the crypto community may see itself return to pro-human bias. This is of course natural, as trends come and go. However, Qureshi suggests that the real transformative impact to arise from this sector would be software engineering agents, which have the potential to fundamentally change how blockchain projects are developed and secured.

Broader Implications

Additionally, it is worth highlighting the continued innovations in DeFi throughout the past year. OG projects like Aave have maintained strong performance, reaching record-high deposits this year. Along with it, newer projects such as Ethena have attracted growing interest from the traditional finance sector. RWA projects like Ondo Finance have also outpaced expectations this year, potentially driven by increased demand for the tokenization of financial products.

The success of **memecoins and their community driven tokenomic models have inspired other sectors to adopt similar fair-launch practices** as well. For example, the

recent DeSci tokens like \$RIF and \$URO on pump.science. There has also been a noticeable shift toward larger community allocations during token launches across various projects.

Another potential trend to look forward to is the convergence of memes and utility. User [@hmalivya9 floated the idea of "Community Clusters"](#) on X. The model proposes the partnership of memecoin projects with utility token projects through a staking system, in which holders of aforementioned memecoins are able to stake their tokens to earn rewards from multiple utility token projects. The system would be further enhanced by the requirement of active social media engagement, essentially gamifying brand awareness for utility tokens. hmalivya9 envisions this symbiotic relationship to act as a blueprint for future crypto community structures, where entertainment and utility overlap. Such a concept would not be completely new. Holders of \$PURR, a memecoin native to Hyperliquid and its original spot token, could receive airdrops of other spot tokens within the Hyperliquid ecosystem and earn Hyperliquid points. The fact that \$PURR was only tradable within Hyperliquid increased its user base significantly.

There will be continued developments with AI agents in the year to come as well. ai16z has proposed a [tokenomics model](#) in which token staking acts as a verification system, providing platform access, enabling governance participation, and creating accountability through potential slashing conditions. In this evolved staking model, stakeholders' economic interests are directly tied to their contribution to ecosystem quality and growth.

2025 will certainly be an exciting year, both in terms of the evolution of existing trends and the emergence of novel ones.

What's Ahead

As we look toward 2025, Tokenomist remains optimistic about the long-term adoption of cryptocurrency and blockchain technology. The path to broader adoption will inevitably intersect with the emergence of regulatory frameworks. Tokenomist is committed to monitoring these developments and serving as a transparent and trusted resource for tokenomics data, ensuring all stakeholders have access to reliable insights as the industry evolves.

Transparency will remain at the core of our mission as we strive to expand our metrics to deliver greater clarity to analysts, investors, and project teams. In 2025, we plan to introduce wider coverage of metrics such as inflation and deflation tracking, mint-and-burn activities, and a more comprehensive framework for analyzing tokenomics allocation and its release mechanisms. These additions will adhere to Tokenomist's values: verifiable, comparable, and accessible insights designed to empower better decision-making.

References

Notable Unlock Events of 2024

- [Binance - Crypto Futures Funding Rate](#)

Low Float High FDV

- [Jason Choi - How fully diluted market cap matters in crypto](#)
- [Glassnode - Bitcoin Halving Chart](#)
- [Binance - Calling for Project Applicants](#)
- [Binance Research - Low Float and High FDV: How Did We Get Here?](#)

Key Sectors

- [Glassnode x Fasanara - Digital Assets Report: Institutional Perspective](#)
- [Kaito - Memecoin Mindshare](#)
- [Coinmarketcap - Community Takeover \(CTO\)](#)
- [Floki Community Takeover](#)
- [Pump.fun Dominance on Solana](#)
- [The Memecoin Supercycle - TOKEN2049](#)
- [Chainplay - State of Memecoins 2024](#)
- [markus9x - AI Agents](#)
- [hosseeb - 2025 Crypto Predictions](#)
- [hmalviya9 - Community Clusters](#)
- [ai16z Tokenomics Discussions](#)



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