



BITCOIN & BEYOND:

THE STATE OF CRYPTO IN JUNE 2024





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Key Takeaways

AMBCRYPTO'S EXCLUSIVE SURVEY DISCOVERS SUCCESSFUL MEMECOIN STRATEGIES

- Memecoin trading is dominated by short-term thinking. 35% of memecoin investors hold their coins for a few weeks while only **9% traders believe in selling their coins as soon as they go up.**
- Over half (53%) of memecoin investors take a “scattershot” approach, investing small amounts across various coins in hopes of a massive profit. This is in contrast with the more cautious strategy employed by the remaining 43.5%, who prioritize research before investing.

BITCOIN TRADERS ANTICIPATE A MOVE TO \$75,000

- Bitcoin spot ETFs are accumulating a significant chunk of the total supply, currently holding around 4.33%. Additionally, projections indicate that these **ETFs will continue to absorb Bitcoin at a rate of 2.43% annually.**
- Bitcoin's creation rate is capped, with new coins entering circulation at a **rate of less than 1% per year.** Now, if demand continues to outstrip supply this way, it could drive the price of Bitcoin to \$75,000 by the end of July.

ETHEREUM WHALES LEAVE THE MARKET

- Over a twelve-day period from 5 June to 17 June, **the number of addresses holding significant amounts of ETH (Over \$100,000) fell.** This decline, from 144,557 to 134,319, coincided with the price of Ethereum touching \$3,800.
- Interestingly, the timing of this decline aligned with the **uncertainty surrounding Ethereum ETFs.**

CARDANO ATTEMPTS A WEAK RECOVERY

- Cardano's profitable transactions fell significantly all month, with a big one-day fall on 18 June. On that day, profitable transactions in dollar value almost halved, **going from \$3 billion to \$1.6 billion.**
- Network's TVL also plummeted to \$209.53 million on 18 June, **a steep fall from its peak of \$423.77 million on 15 March** - A reduction of over 50% precisely.

MEMECOINS COMMAND HIGHEST TRADING VOLUME ON BINANCE

- Memecoins have been the **most popular tokens with the highest trading volume on Binance** after Bitcoin rebounded to the \$66,000-level on 17 June.
- DOGE emerged as the most favored coin among traders. The bullish outlook was evidenced by the **high volume of long positions (\$102.96K) placed on 19 June**, compared to the minimal short positions (\$3.49K).

NFT MARKET STRUGGLES WITH DECLINING SALES VOLUME

- In the last 30 days, NFT market's **sales volume fell by 49.42%**, highlighting waning interest in NFTs among investors.
- However, the market saw a 0.86% hike in the **number of holders.**
- On the other hand, the number of **buyers decreased by 29%, traders by 24%, and sellers by 21%.**



AMBCrypto's Exclusive: 7,259 Traders Share Their Memecoin Strategy

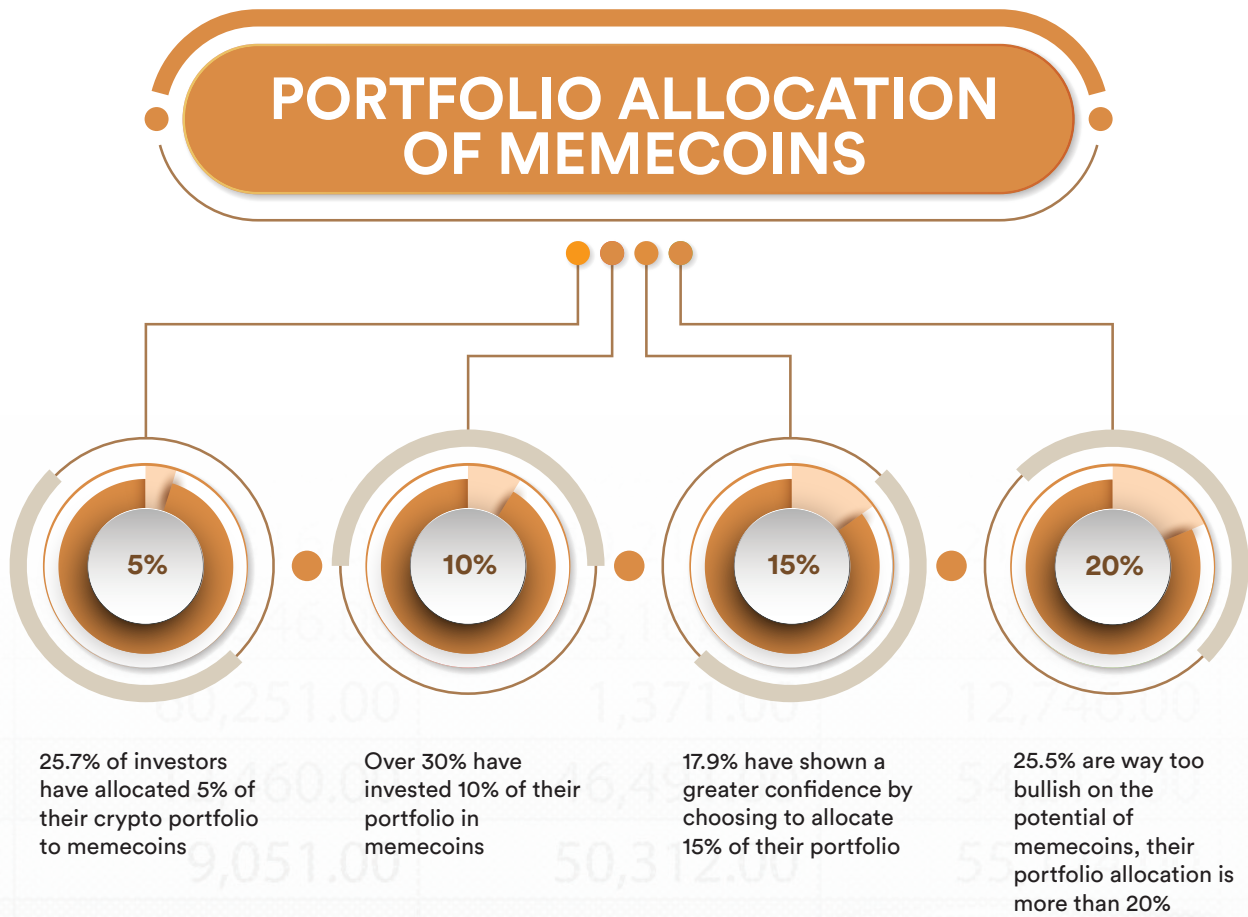
- Memecoin sector's dominance in the crypto market stood at 2.13% on 16 June. This, after noting a marginal increase over the last few days. Interestingly, **more than 50% of SHIB, DOGE, and PEPE investors have been profitable** throughout most of June's trading sessions.
- To understand winning strategies, AMBCrypto conducted a **global survey of 7,259 memecoin investors**, and the results have been quite insightful.

TOP FIVE NOTABLE INSIGHTS FROM THE SURVEY

- We discovered a surprising mix of motivations behind memecoin investments. Over **30% of respondents prioritized the potential for high returns**, but also considered the long-term growth of the project before investing in a memecoin.
- However, a smaller group, **around 6%, invest in memecoins purely for fun** and its entertainment value.
- 43% of respondents surprisingly ranked **real-world use cases as the most important factor** behind making an investment decision. However, a significant portion (47%), considered hype and community engagement the most vital factor.
- 8.6% investors outrightly denied the importance of real-world use cases for memecoins. By doing so, they revealed **they don't look into the details of a memecoin project** as long as it is doing well on the price front.
- The survey also found a generational divide in memecoin interest. **Investors aged 18-24 displayed the highest enthusiasm**, while interest dipped among those in their early 30s.
- Notably, only 9.5% of respondents over 55 years old invested in memecoins. This suggested **memecoins may be less popular among baby boomers**.
- In an interesting discovery, we found that nearly **38% of respondents made their first memecoin investment within the last month**, significantly outpacing the 22.9% who invested a year ago. This might imply a potential peak in memecoin adoption in the short-term.



Figure 1: Memecoins' share in the portfolios of investors



- A significant chunk (34.2%) engage in **occasional memecoin conversations among friends, likely sparked by some trending or new coins.** However, another sizable group (27%)

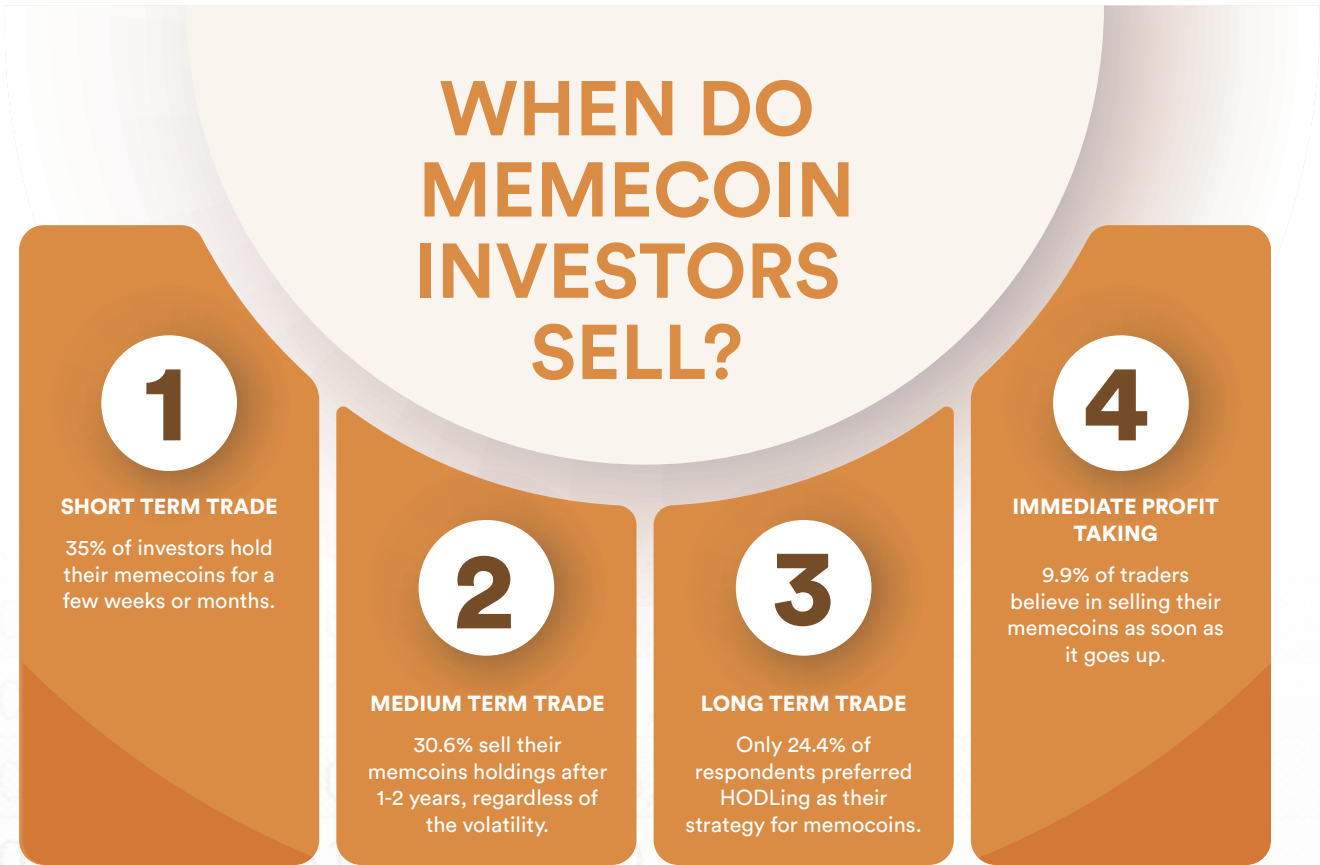
never brings it up, viewing it as a frivolous topic.

- Interestingly, an equal number (27%) discuss memecoins regularly, sharing ideas and strategies.

11.8% investors confessed to constantly talking about memecoins, much to the amusement or exasperation of their friends and family.



Figure 2: A look at memecoin investors' holding patterns

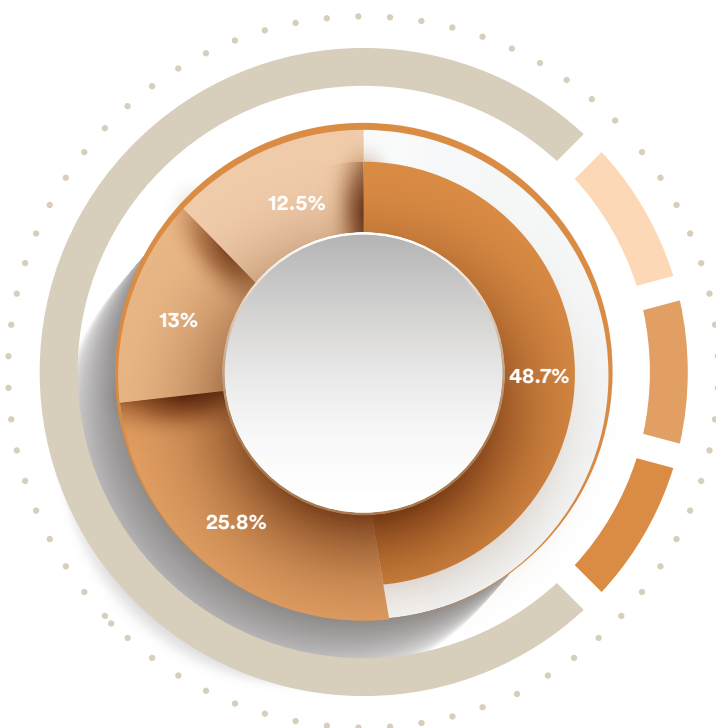


- Our exclusive survey revealed a fascinating clash of beliefs when it comes to memecoins' success. Over half (**56%**) of traders believe a **strong online community is the key ingredient** for a memecoin to skyrocket.
- However, a surprising **17% put their faith in celebrity endorsements and influencer marketing**. The most unexpected finding - Nearly a third (27%) of respondents believe a catchy name and a funny meme are all it takes for a memecoin to take off.
- We also found a spectrum of approaches to memecoin investing. **53% take a "scattershot" approach, investing small amounts in various memecoins** hoping for a big win. A significant portion, precisely 43.5%, prioritize research before investing, suggesting a more cautious strategy.
- Interestingly, a **smaller group of close to 17.4% rely on social media influencers**, potentially indicating a more impulsive approach. However, a dedicated group of 13.7% only invest in established memecoins like SHIB and DOGE.



Figure 3: Survey explores investors' price checking behavior

HOW OFTEN DO MEMECOIN INVESTORS CHECK PRICES?



48.7% of investors check prices multiple times a day

25.8% look at their memecoin investments' value once a day or every few days

13% look at their memecoins price once a week or less

12.5% check memecoins price only when there is any major news



A Look At Bitcoin's Trajectory

- After the FOMC meeting in June, Bitcoin's price fell and continued its downward streak for a week. Analysts believe this decline was spurred by the **skepticism surrounding the Fed Chair's comments on the U.S. economy's strength.**
- For a short-term outlook, the market sentiment favored the sellers. With Bitcoin trading at \$66,249 on 17 June, **the total long liquidations came in at \$32.92 million.**

KEY FACTORS IMPACTING BITCOIN'S VALUATION

1. BITCOIN SPOT ETF NETFLOWS

- U.S. Bitcoin exchange-traded funds witnessed a **combined \$580.6 million in net outflows in the week ending 14 June.** This, after U.S. non-farm payroll data and unemployment data came out, giving conflicting outlooks on the U.S. economy. The uncertainty led investors to move out from risky assets like crypto.
- Contrary to the current scenario, some analysts suggest **BTC ETFs' inflows will see a massive uptick in the near future.** That will, in turn, help Bitcoin move north. Consider this - At the time of writing, BTC spot ETFs held 4.33% of the current supply and in the last 14 days, the projected annual supply absorption by BTC ETFs was 2.43%. This is a big deal because new Bitcoin is only created at a rate of less than 1% per year.
- So, demand for Bitcoin is rising faster than new Bitcoin is being produced. Hence, the **supply shock in the future is quite imminent.**

2. INTEREST RATE CUT EXPECTATIONS

- In June, the Federal Reserve revised its outlook for interest rate cuts to just one in 2024 instead of three which was previously expected. **This put Bitcoin within a sideways trading range of \$64,000 - \$70,000.**
- Neil Roarty, analyst at investment platform Stocklytics told AMBCrypto, "the consensus among traders is that **it will take considerably lower interest rates and a weaker dollar to push Bitcoin above and beyond the \$70,000-mark** for a consistent stretch. It now increasingly looks like we'll have to wait until 2025 for that to happen."



3. GEOPOLITICAL CONFLICTS

- June wasn't a profitable month for Bitcoin. **It saw a fall in its volatility. Short-term blows came from various corners**, from geopolitical tensions to currency fluctuations. In France, President Macron's unexpected call for early elections sent shockwaves through the political system.
- This uncertainty caused investors to flee the Euro, seeking the safety of the U.S. dollar. As the dollar strengthened, **Bitcoin, which often moves in the opposite direction, felt the downward pressure.**
- June wasn't just about currency woes for Bitcoin. **Rising tensions between China and Taiwan sent shivers down the spines of crypto traders.** They worried that an escalation could disrupt the industry in unforeseen ways.
- Taiwan is a giant in the global semiconductor market. Any hiccups in their supply chain would have a ripple effect, **hitting the crypto mining industry hard.**

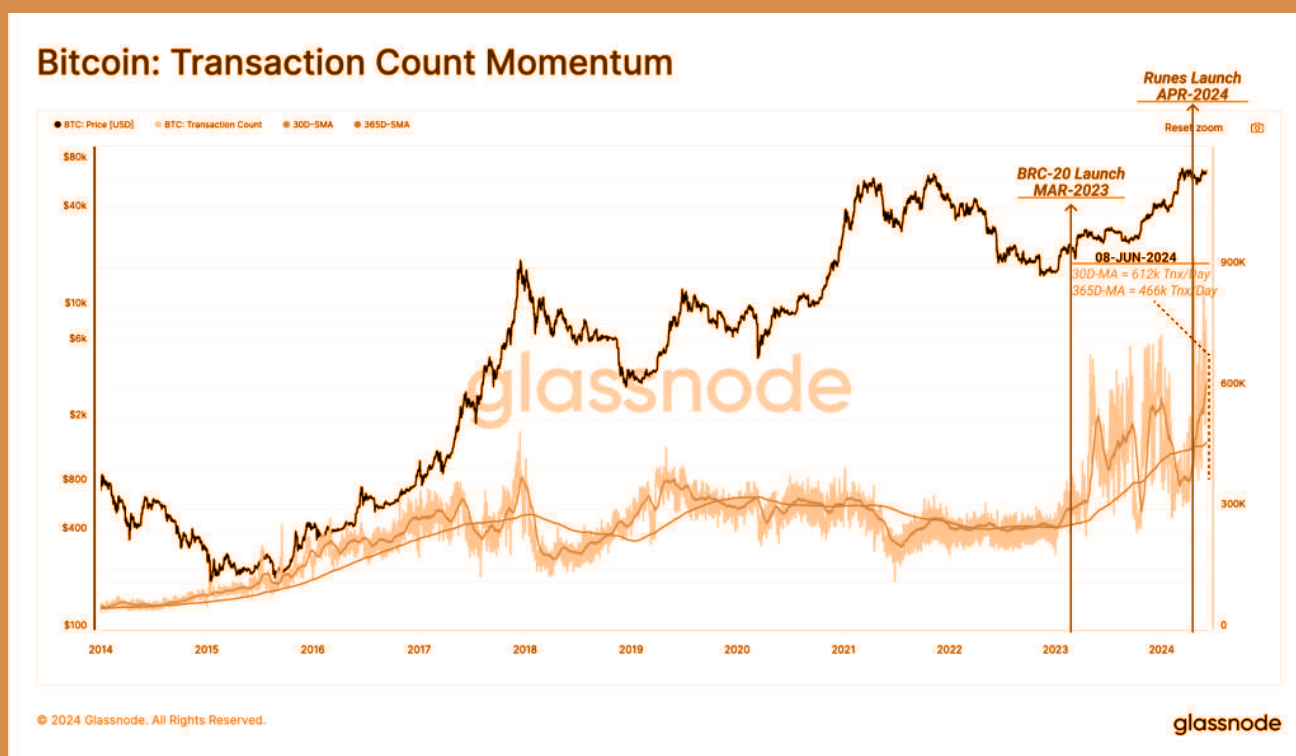




Bitcoin's July Prediction Using On-Chain Data

- Despite healthy market momentum, Bitcoin's active addresses have been declining. Meanwhile, the amount of transactions processed by the network has been making new all-time-highs.
- Consider this - June's monthly average transaction count had a reading of 617k/day - 31% above the yearly average. It signified relatively high demand for Bitcoin blockspace.
- When there's more competition to get transactions included in a block, users offer higher fees to miners to prioritize theirs. This can make Bitcoin seem less attractive for small transactions, potentially discouraging many buyers. Now, if the demand for Bitcoin's blockspace continues to surge, it might affect the price negatively.

Figure 4: Bitcoin's transaction count momentum on an uptrend





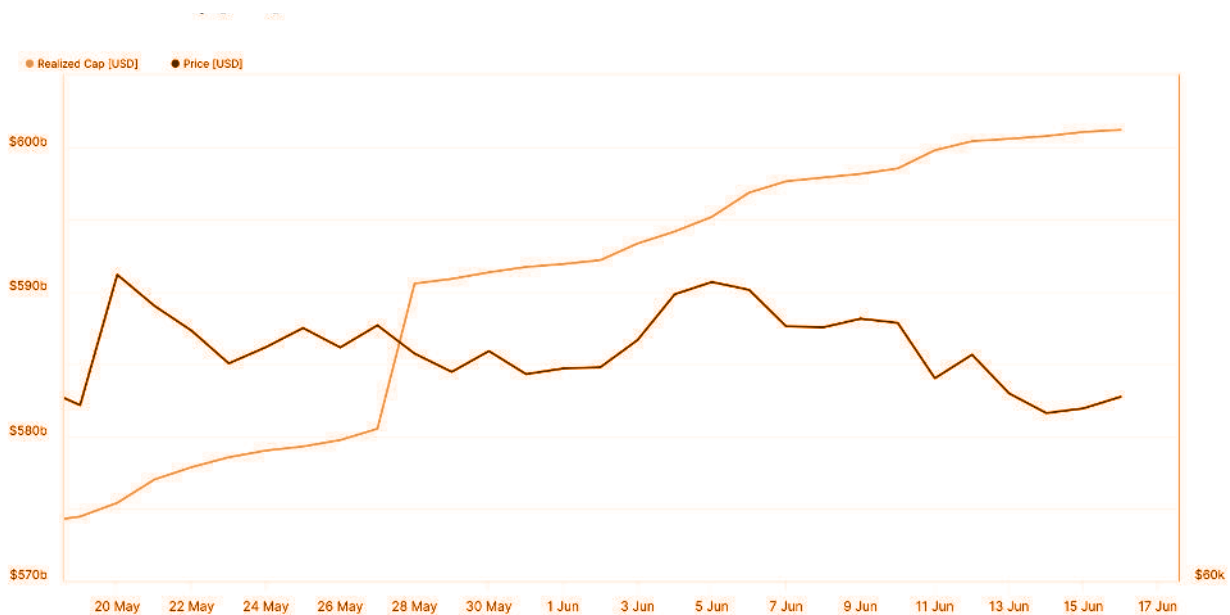
- Another factor to consider is Bitcoin's realized cap metric, which has already been on an uptrend since January 2024. Curiously, it noted a sharp uptick from 5 June to 7 June, **highlighting increased capital inflows and investors' growing confidence in the asset.**

These were the days when BTC tested its \$71k supply level.

- Simultaneously, **balance on exchanges have been falling after 14 May.** However, there was a minor increase on 13 June when the balances went up from

2.2 million to 2.3 million in a matter of two days, highlighting minor sell pressure. On a macro-frame though, one can realize that investors have been moving their Bitcoin off exchanges and into personal wallets with the intention of HODLing.

Figure 5: Realized cap metric revealed investors' increasing confidence in BTC



- Amidst all the positive signals, the **number of addresses with a balance of more than \$100k have been taking profit** on every local

high that the king coin is reaching with the support of ETF inflows.

- All of these factors reveal that **July might not be a**

very profitable month for traders and BTC might struggle to break above \$70,000 for a majority of the trading sessions.



Ethereum's Monthly Review

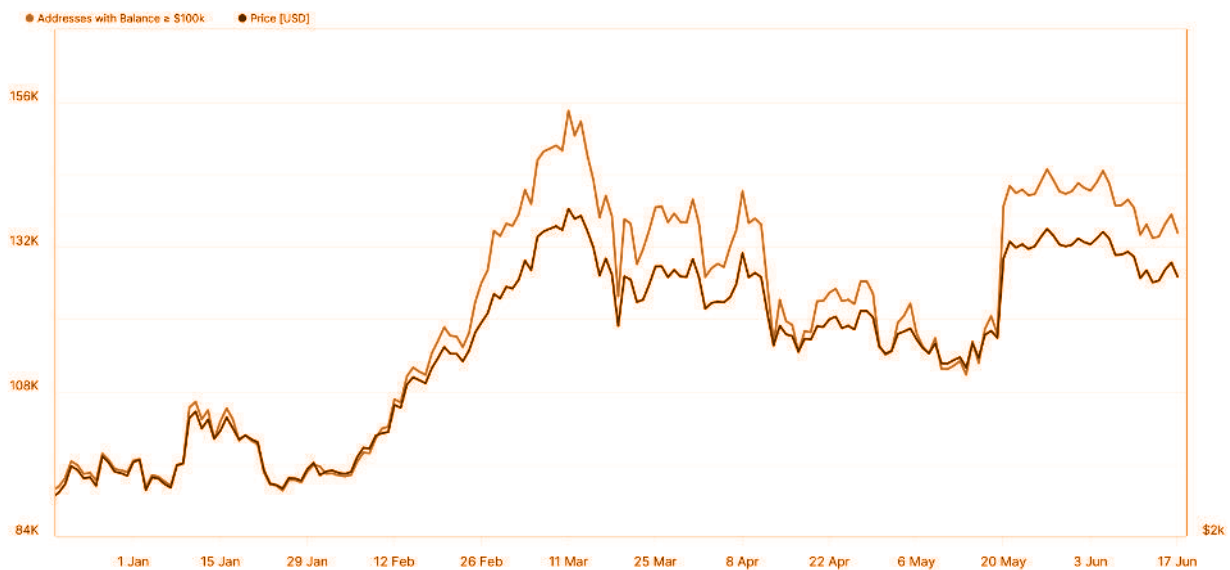
- The **Total Value Locked (TVL) on the Ethereum blockchain took a tumble in June after a steady rise in May.** By 18 June, it had sunk to \$60.74 billion, with Lido, the liquid staking platform, still contributing a significant \$33 billion.

- Data from over the past month also revealed a shift in Ethereum's holder distribution. **The number of addresses holding more than \$100,000 worth of ETH (whales) declined from 144,557 on 5 June to 134,319 on 17 June.** This fall coincided with the price depreciating to around \$3,800 and can be interpreted as profit-taking by these large holders.

- Interestingly enough, the timing of this decline aligned with the uncertainty surrounding Ethereum **ETFs.** **Some analysts speculate that these ETFs might not immediately translate to ETH's strong price performance,** especially when compared to Bitcoin.

Figure 6: Addresses with a balance of more than \$100K

Ethereum: Number of Addresses with Balance \geq \$100k



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- **Short-term sellers in June experienced smaller losses**, compared to May. This lower realized loss value suggested that the potential wave of selling predicted by the MVRV (Market Value to Realized Value) and SOPR (Spent Output Profit Ratio) metrics didn't happen as intensely as expected.

- The Net Unrealized Profit/Loss (NUPL) metric offered some valuable insights for ETH traders regarding June's price drop. The data suggested the **decline could be a corrective phase before a potential price hike**.

- June also saw a surge in ETH's Futures Open Interest, indicating a significant influx of money into derivative contracts. This is a sign of heightened speculation on Ethereum's price. Hence, **short-term volatility can surely be expected in July**.

- While spot prices for ETH remained lackluster, the Options market told a different story. A strong bullish bias emerged with **Call options representing a whopping 66.64% of the Open Interest, compared to just 33% for Puts**.

- This explained why even though short-term price action hasn't been ideal for buyers, **many options traders have been betting on a future upswing for ETH**. Basically, they placed their confidence in Call options, which grant the right to buy ETH at a specific price in the future, anticipating a bout of price appreciation.

- Finally, the king of altcoins saw a significant dip in social media activity and discussions in June. The **community wasn't buzzing as much about ETH, compared to the excitement of mid-May**.

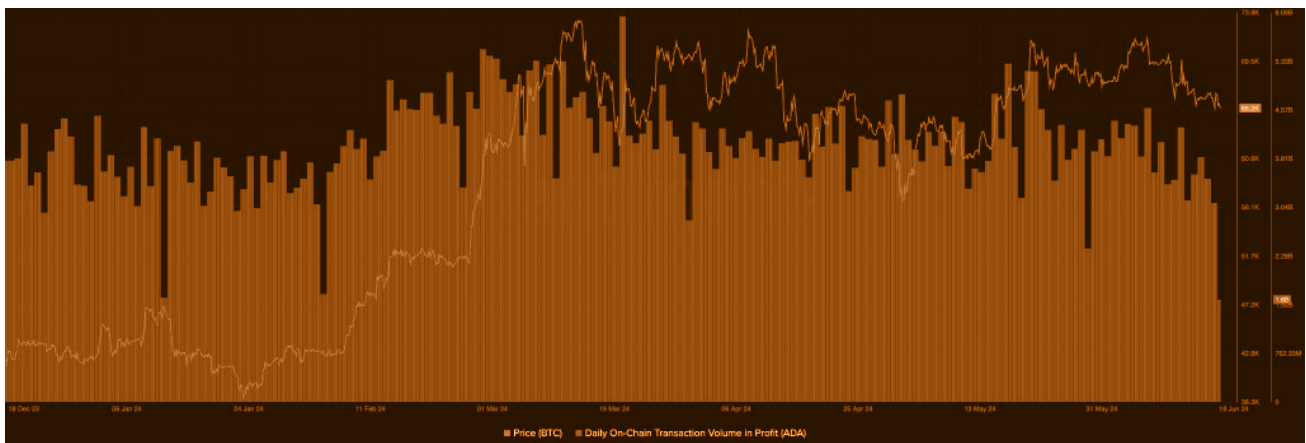


Deep Dive Into Cardano's Network Activity

- Cardano's Treasury balance continued its steady growth, **increasing by 3.5% this quarter to reach 1.48 billion ADA**. This represented an addition of 50 million ADA, which is slightly higher than the typical growth observed in previous quarters.

- At the same time, Cardano's **on-chain transaction volume in profit** noted a **significant decline throughout June**, albeit with occasional upticks. This trend culminated in a sharp drop on 18 June, with the metric plummeting from 3.04 billion to 1.6 billion – A nearly 47% decline in a single day.

Figure 7: ADA's daily on-chain transaction volume in profit



Source: Santiment

- If we take a broader view, Cardano's **staking metrics on a quarter-over-quarter (QoQ) basis reveal stability**. The number of active stake pools (those creating at least one block) saw a minimal decrease of just 1.0% compared to the previous quarter.

- On the other hand, the number of delegators (Users staking their ADA) recorded a slight hike of 0.9% QoQ. Overall, these key staking participation metrics suggested minimal changes, **indicating a consistent level of engagement from stakeholders**.



- Overall, the **Cardano ecosystem experienced a mixed bag of results in June**. While some sectors thrived, others faced setbacks. Notably, TVL, a metric reflecting the overall value of assets deposited in DeFi protocols, took a significant hit.

- At the time of writing, TVL had fallen to \$209.53 million, a **steep decline from its peak of \$423.77 million on 15 March**. This represented a reduction of over 50%.

- Decentralized exchange Minswap solidified its position as the leading protocol in the Cardano ecosystem by TVL share. On 18 June, it boasted a dominant share of \$56.25 million, **making it not only the largest but also the most active and most used dapp** on the Cardano network.

- On the lending and DeFi front, Liqwid Finance has been making a name for itself. This project has seen steady growth in activity and has climbed the ranks to become the **third most popular dapp by transaction volume in less than a year**.

- Its impressive growth suggests increasing **demand for lending and liquid staking services** within the Cardano ecosystem.

- Meanwhile, after a slowdown in May, Cardano development activity saw a major rebound in June. This surge in activity could be a sign that the **team is gearing up for the upcoming Chang Hard Fork**, a crucial network upgrade.



Overall Crypto Market Performance

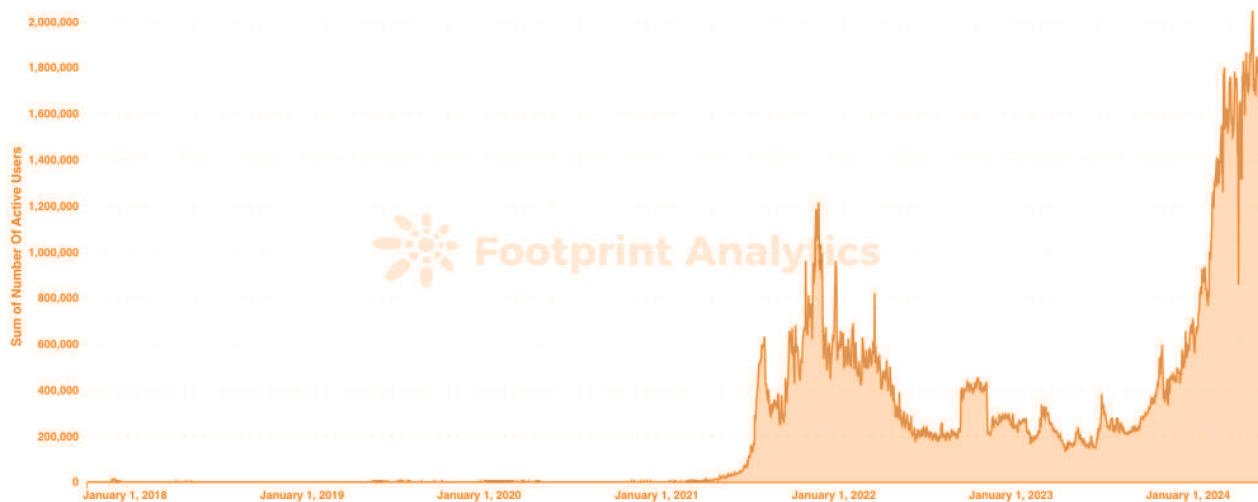
While the Fear and Greed Index suggested investors' bullishness throughout June, **the crypto market defied expectations with a 6% average drop in trading volume**, compared to May.

TAKE A LOOK AT HOW THESE THREE SECTORS FARED -

1. GAMING TOKENS

- The global blockchain gaming market looks poised for explosive growth, with projections estimating a jump from **\$154.46 billion in 2023 to a staggering \$614.91 billion by 2030**. Interestingly, North America has emerged as the current leader in this rapidly expanding space.
- However, May's crypto gaming boom faded gradually. Daily active users soared to a staggering 3.7 million, **but then plummeted to just 1,463,131 in June**, raising concerns about the industry's short-term momentum.

Figure 8: Daily active users of crypto gaming in June



Source:Footprint Analytics

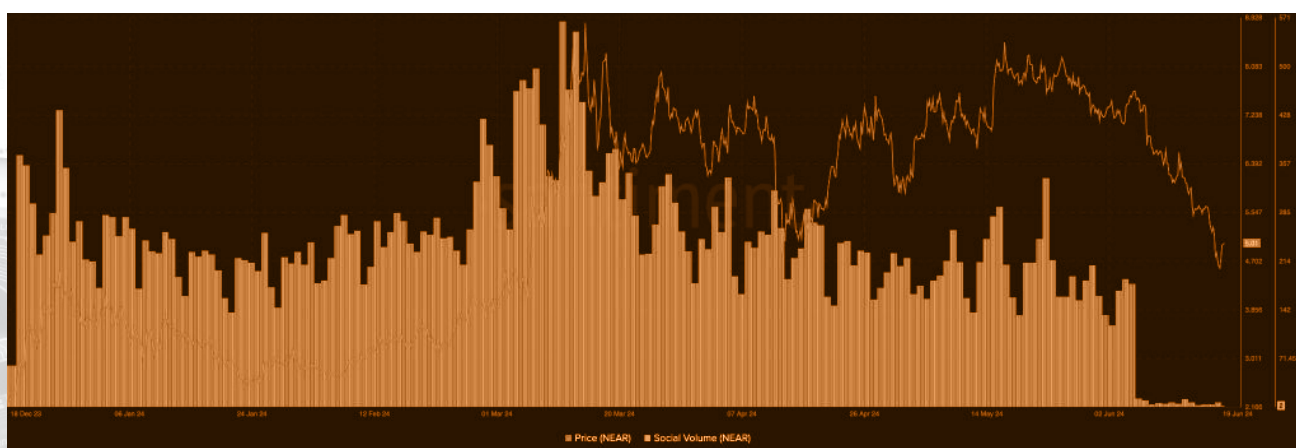


- Meanwhile, June witnessed a meteoric rise for the gaming token Notcoin. As of 19 June, it had rocketed to the top of the gaming space, **surpassing established players like Axie Infinity and Gala** to claim the number three spot.
- However, out of the top 10 coins, FLOKI took the biggest hit over the past month. **Traders are expecting it to fall further by 34.96% in July.** This was evident in the derivatives market, where long positions stood at \$1.51k on 19 June while short positions stood at \$28.24k, indicating a bearish bias.

2. AI TOKENS

- The AI sector boomed over the last month with Google Trends showing peak public interest. **However, the price of the AI-based tokens in the crypto space didn't mimic that growth.** In fact, popular coins like NEAR, RNDR, FET, and GRT saw their market value slide by more than 20%.
- Surprisingly, Near Protocol's NEAR token took a tumble in June. **Social media activity and interest surrounding the project fell** to a six-month low, raising questions about the network's strength.

Figure 9: Near Protocol's social volume



Source: Santiment



3. MEMECOINS

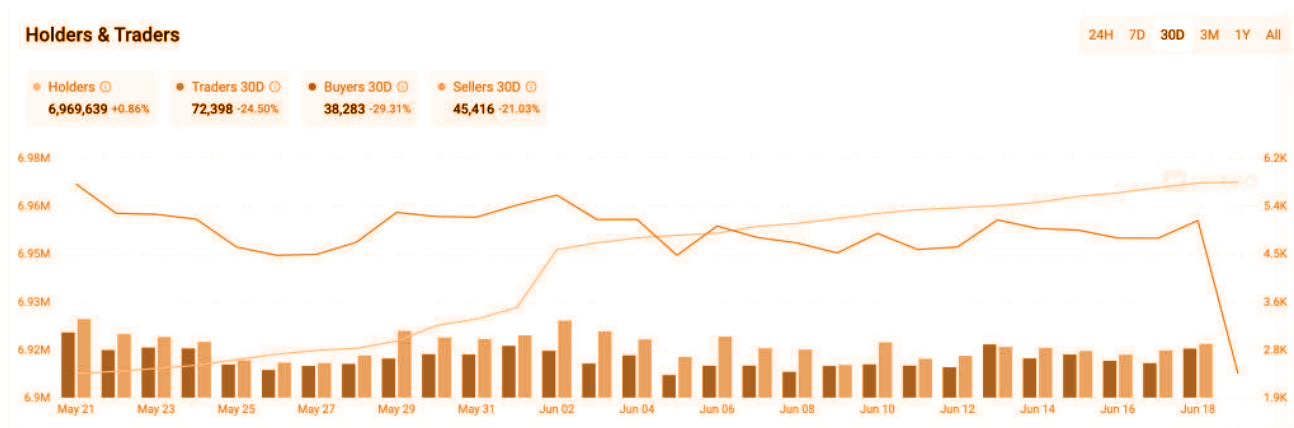
- Memecoins' correlation with Bitcoin grew stronger throughout the past month. In response, **TRUMP token and BONK suffered the heaviest losses, with both seeing declines of over 25%**. In contrast, PEPE fared relatively better, experiencing an average drop of only around 10%.
- On 17 June as Bitcoin rebounded to over \$66,000, tokens with the highest trading volumes on Binance were memecoins, with the top ten by volume being **BTC, ETH, PEPE, SOL, FLOKI, WIF, DOGE, BNB, BOME, and SHIB**.
- Out of all the memecoins, DOGE emerged as the most favored among traders. **Despite a widespread crypto sell-off, sentiment towards DOGE was quite bullish**. Consider this - On 19 June, \$102.96K long positions were placed against \$3.49K shorts, underscoring traders' optimism.
- Throughout the past month, DOGE saw higher average exchange outflows compared to inflows. Indeed, **traders have been holding onto their coins in anticipation of price hikes**.
- However, during the second week of June, only 75% of DOGE holders were profitable, with a significant 24% seeing losses. **The market was largely dominated by whales with a commanding 63% share**.



State of NFTs

- Over the last 30 days, the NFT market has seen a **0.86% hike in the number of holders**. However, during this period, the number of buyers fell by 29%, traders by 24%, and sellers by 21%.

Figure 10: Count of buyers and sellers



Source: NFTGo

- Solana emerged as the new minting king, surpassing Ethereum in the number of NFTs minted. This shift suggested a **growing preference for Solana blockchain among users and developers for creating NFTs**. Meanwhile, Polygon defied expectations, grabbing the second spot in the rankings by NFT sales volume.
- Blur's NFT marketplace dominance continued in June, it **processed a massive \$393.27 million in trading volume across 531,720 sales**. While there was a slight 5.65% dip in sales compared to May, its overall growth trajectory remained impressive.
- Lastly, an unexpected twist in the NFT market was found when **\$PIZZA BRC-20 NFTs took the top spot in sales volume rankings** for June. Established players like BAYC and CryptoPunks were left behind at fifth and sixth, respectively.





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PLEASE NOTE -

This report analyzes data till 20 June. It aims to provide comprehensive insights into market developments. All data presented is intended for informational and educational purposes. It's crucial to note that no investment decisions should be made solely based on the information contained within this report. Ultimately, individuals are responsible for their own investment decisions and should conduct thorough research and analysis before making any financial commitments.



ABOUT THE AUTHOR -

Manisha Mishra is working as the Head of Research at AMBCrypto. Armed with a Master's in Mass Communication and a keen eye for detail, her expertise lies in analyzing blockchain technologies and their tokenomics. She has been involved in the crypto space since 2019.

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About AMBCrypto

Established in 2018, AMBCrypto cuts through crypto noise. Their passionate journalist and blockchain enthusiast team delivers breaking news, in-depth analysis, and expert breakdowns on the ever-evolving crypto world. They simplify complex technical happenings, empowering users with clear insights.

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