

Q3  
2026

# BITWISE STAKING REPORT

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## About Bitwise

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# Introduction

Q2 2026 showed a divergence between market sentiment and network fundamentals. Across the networks in this report, blockspace became cheaper, onchain activity increased, and fee revenue fell. The decline in revenue was driven mainly by protocol design, as networks made blockspace cheaper and more abundant. Weaker demand played a part in some cases, but it was not the general trend.

| Blockchain                         | Revenue<br>Q2'25 | Revenue<br>Q2'26 | Trans-<br>actions<br>Q2'25 | Trans-<br>actions<br>Q2'26 | Cost/Tx<br>(Native)<br>Q2'25 | Cost/Tx<br>(Native)<br>Q2'26 | Cost/Tx<br>(USD)<br>Q2'25 | Cost/Tx<br>(USD)<br>Q2'26 |
|------------------------------------|------------------|------------------|----------------------------|----------------------------|------------------------------|------------------------------|---------------------------|---------------------------|
| <b>Ethereum</b>                    | \$131M           | \$64M            | 121.1M                     | 203.9M                     | 0.00049<br>ETH               | 0.00015<br>ETH               | \$1.08                    | \$0.31                    |
| <b>Solana</b>                      | \$272M           | \$51M            | 8.9B                       | 9.8B                       | 0.00020<br>SOL               | 0.000065<br>SOL              | \$0.030                   | \$0.005                   |
| <b>Avalanche</b>                   | \$1.55M          | \$0.33M          | 58.0M                      | 235.6M                     | 0.00130<br>AVAX              | 0.00017<br>AVAX              | \$0.027                   | \$0.0014                  |
| <b>Hyperliquid<br/>— HyperCore</b> | \$175M           | \$173M           | 46.7B                      | 188.0B                     | —                            | —                            | —                         | —                         |
| <b>Hyperliquid<br/>— HyperEVM</b>  | \$1.3M           | \$2.0M           | 22.5M                      | 31.1M                      | 0.00222<br>HYPE              | 0.00126<br>HYPE              | \$0.060                   | \$0.065                   |
| <b>NEAR</b>                        | \$0.82M          | \$0.14M          | 497.3M                     | 77.7M                      | 0.00067<br>NEAR              | 0.00101<br>NEAR              | \$0.0016                  | \$0.0018                  |

Source: Bitwise

The divergence between revenue and activity is the theme of the quarter. While fees fell, usage climbed. Ethereum processed 26 transactions per second, up from 15 a year earlier, following the gas limit increase. Similarly, Solana processed ~10 billion non-vote transactions, higher than any quarter in 2025, and Avalanche's C-Chain handled 236 million transactions, up from 58 million. In short, cheaper blockspace did not indicate weaker demand.

Institutional adoption became measurable this quarter across three areas. In staking, Ethereum's active stake reached an all-time high of 40.2 million ETH, 33% of supply, on continued institutional inflows, while Coinbase and Circle each staked 500,000 HYPE under Hyperliquid's AQA2 framework. In tokenized real-world assets, tokenized equities trading on Solana rose 2,479 times year-on-year, from \$1.34 million in June 2025 to \$3.32 billion a year later, on the back of SpaceX and Micron listings from Backpack Securities. Additionally, S&P Dow Jones Indices licensed the S&P 500 for onchain trading on Hyperliquid, and FIFA's World Cup ticketing went live on a dedicated Avalanche Layer 1. In payments, Deel distributed around \$30 million to 7,200 contractors on Tempo in its first full quarter.

The networks' protocol roadmaps remain active. Ethereum has two hard forks scheduled for H2 2026, Glamsterdam and Hegota, focused on scaling throughput and strengthening censorship resistance. Solana's Alpenglow, its most significant upgrade since mainnet launch, is targeted for Q3 2026, with faster transaction finality as the primary objective. A separate slot time halving to 200 milliseconds will occur ahead of Alpenglow's implementation. On NEAR, the Intents bridging and execution layer has emerged as the network's main source of fee revenue, generating roughly 68 times more than the base chain in Q2 2026.

H1 2026 also marked the introduction of the Tempo chain. Launched on mainnet in March 2026 and incubated by Stripe and Paradigm, Tempo is purpose-built for stablecoin payments. Its first full quarter on mainnet showed early but concrete enterprise adoption, which we examine in detail in the Tempo section of this report.

# ETHEREUM



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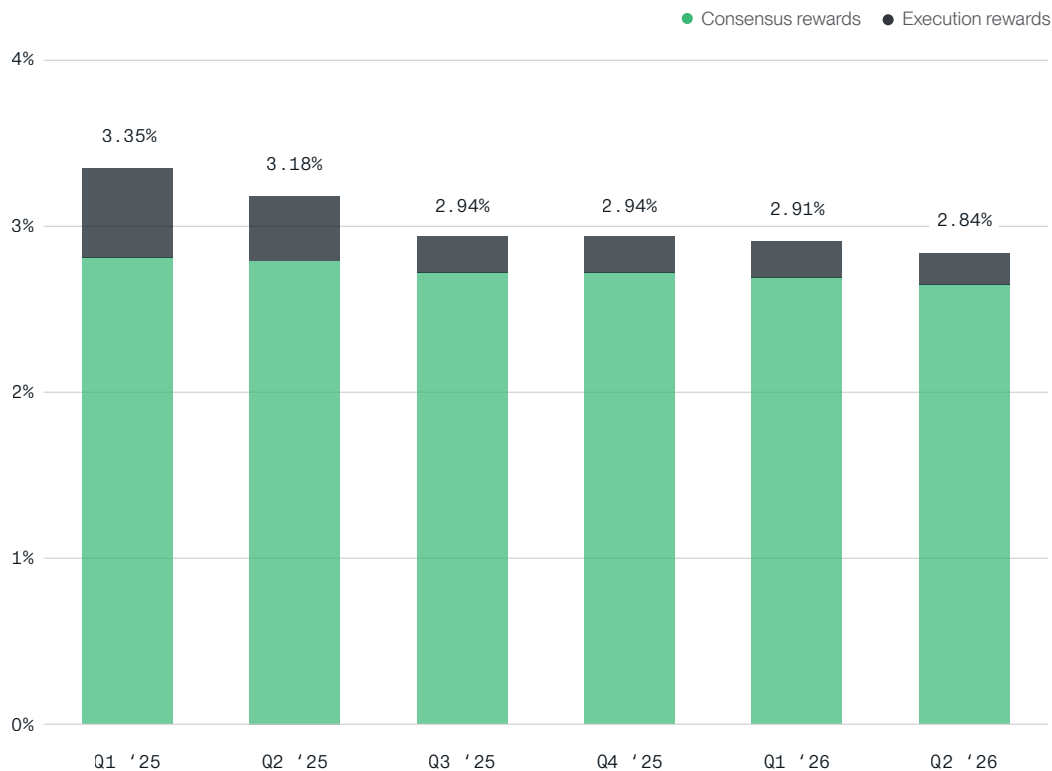
A record 40.2 million ETH is now staked. The network processed nearly twice the transactions per second of a year ago. While network revenue fell to roughly \$64 million this quarter, down 51% year-on-year in USD terms, revenue increased quarter-on-quarter from 27,670 ETH in Q1 2026 to 31,166 ETH in Q2 2026, its first increase in over a year. The dollar figure fell only because ETH's price declined over the quarter.

## Token value accrual and validator economics

On Ethereum, the staking yield has two components. Consensus rewards are new ETH the protocol mints to pay validators and stakers (pure issuance) which slowly grows the total supply. Execution rewards are the priority fees and MEV users pay to transact, reflecting real demand for blockspace.

Staking yield is predominantly issuance-driven: Of the 2.84% total yield in Q2 2026, 2.65 percentage points came from consensus rewards and 0.19 from execution, roughly 93% and 7% of the total respectively.

### Annualized staking yield by quarter



Source: Allium, Bitwise

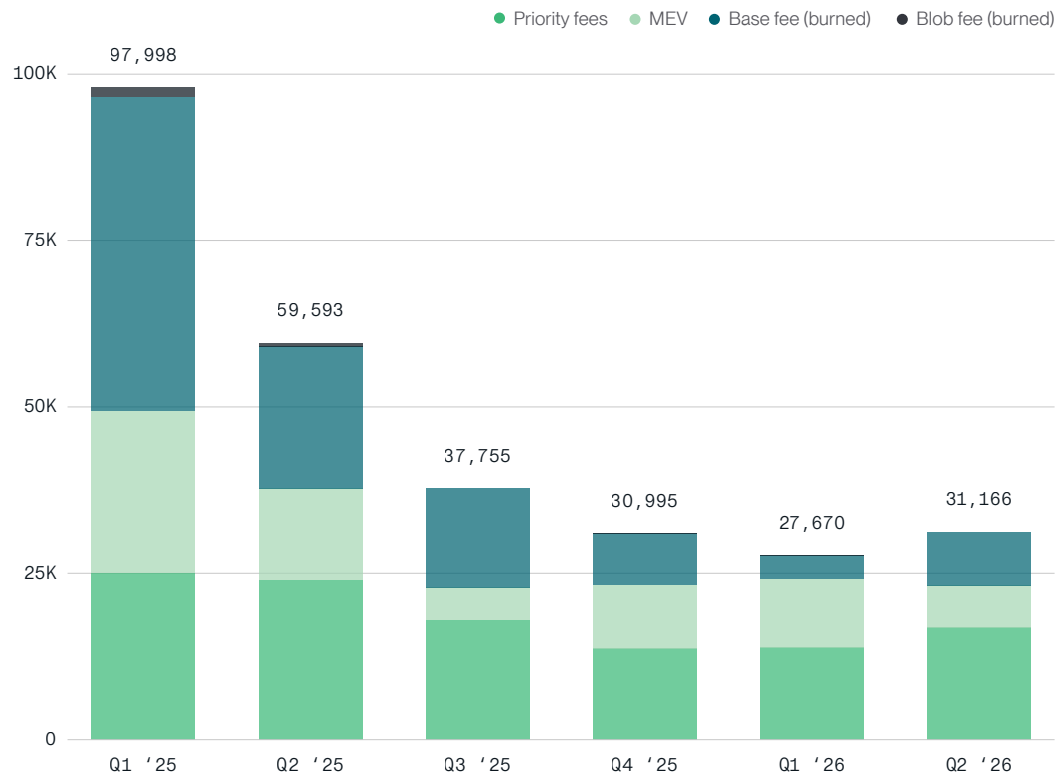


## Network revenue by quarter

Network revenue on Ethereum comes from four fee streams. Two of these streams are burned, or permanently removed from supply: the base fee (the EIP-1559 price of blockspace, charged on every transaction) and the blob fee (paid by Layer 2 rollups to post their transaction data back to Ethereum for data availability). The other two streams are paid to validators and stakers: priority fees (the tip a user adds to prioritize a transaction) and MEV (the extra value a validator captures from how transactions are ordered, net of the cut kept by the block builder that assembles the block). In Q2 2026 the chain collected about 31,166 ETH across all four streams, of which 74% went to validators and stakers, while the remaining 26% was burned.

Converted at the quarter's average ETH price, total revenue was roughly \$64 million, down from \$131 million in Q2 2025, a 51% fall year-on-year. Blob fees have collapsed toward zero since the Pectra and Fusaka upgrades made blob space abundant.

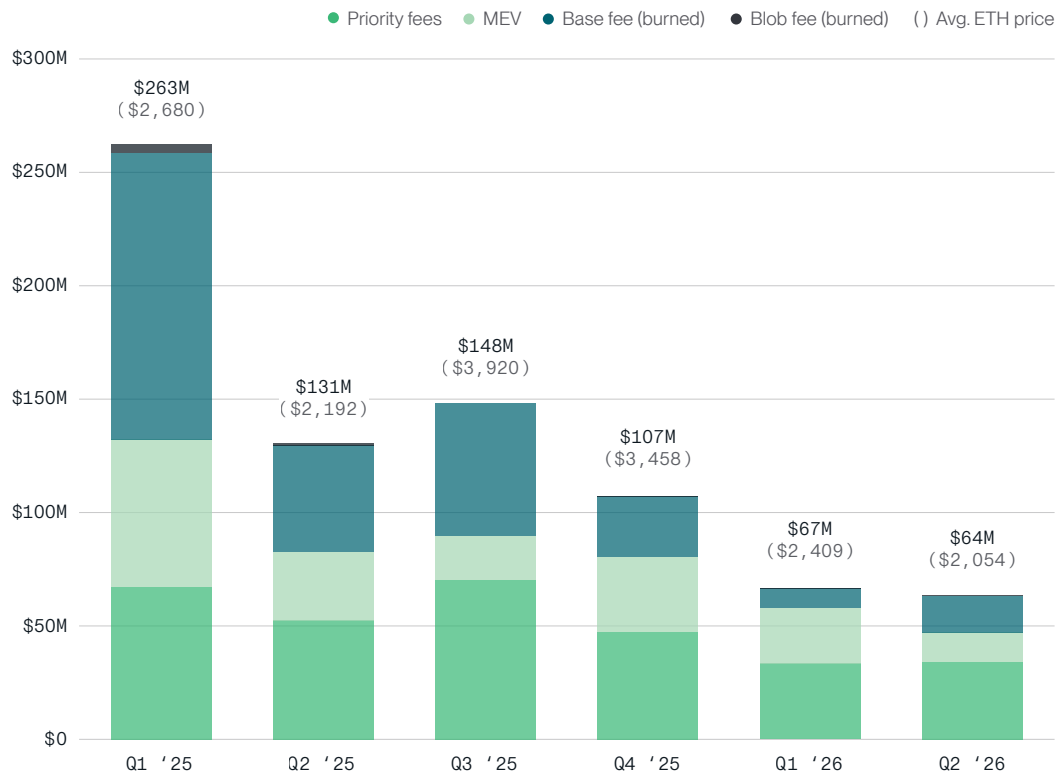
### Network revenue by quarter (ETH)



Source: Allium, Bitwise



### Network revenue by quarter (USD)



Source: Allium, Bitwise

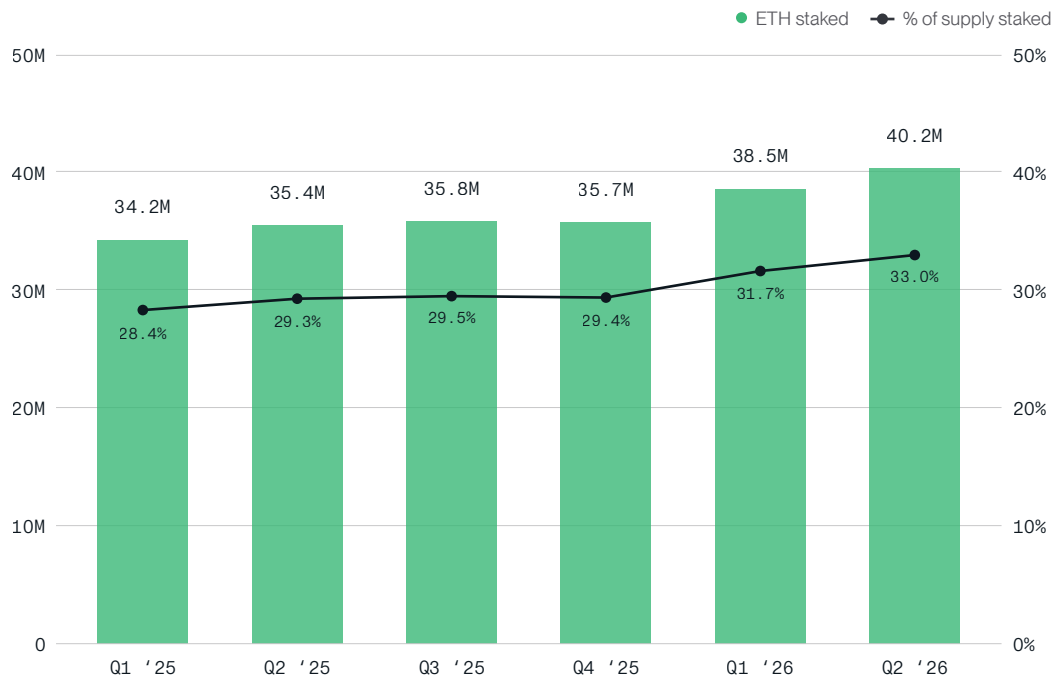
## Active stake and flows

Active stake increased steadily across the period, from 34.2 million ETH at the end of Q1 2025 to a record 40.2 million by the end of Q2 2026. That is 33% of the total supply. The inflows were concentrated in the first half of 2026: Q1 added 2.81 million ETH, the largest quarterly increase in the period, followed by a further 1.73 million in Q2. As more ETH is staked, the consensus yield declines slowly.

The inflows were institutional. Bitmine Immersion held 5.62 million ETH as of 14 June 2026, with 4.72 million staked. BlackRock launched ETHB, the iShares Staked Ethereum Trust ETF, on Nasdaq on 12 March 2026, staking between 70% and 95% of its holdings and distributing rewards monthly to investors.

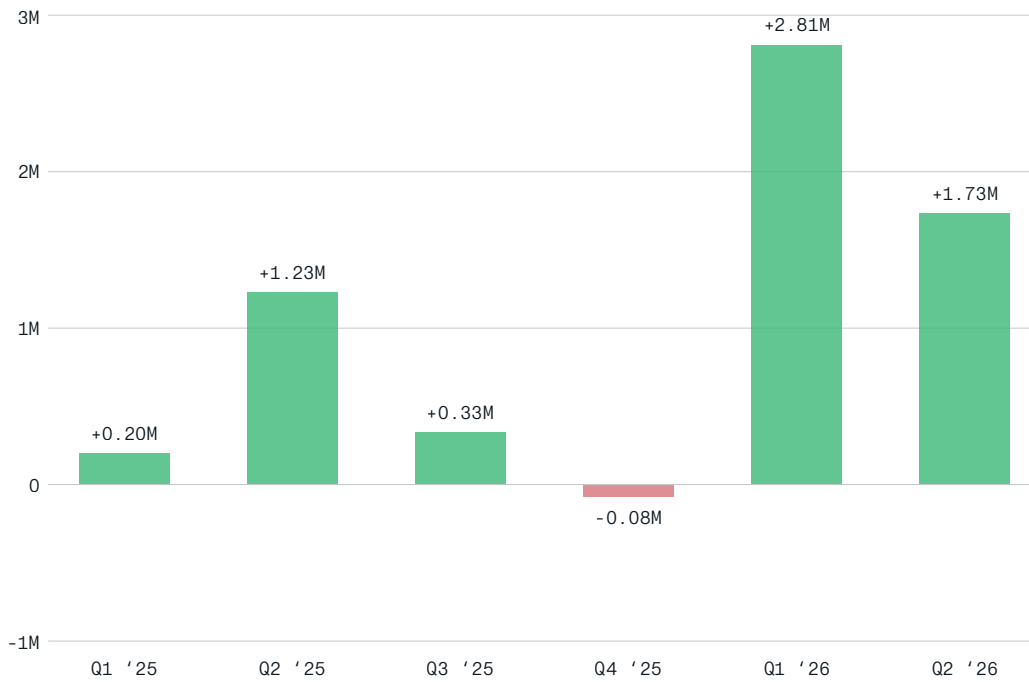


### Total and share of ETH supply staked



Source: Allium, Bitwise

### Net change in staked ETH



Source: Allium, Bitwise

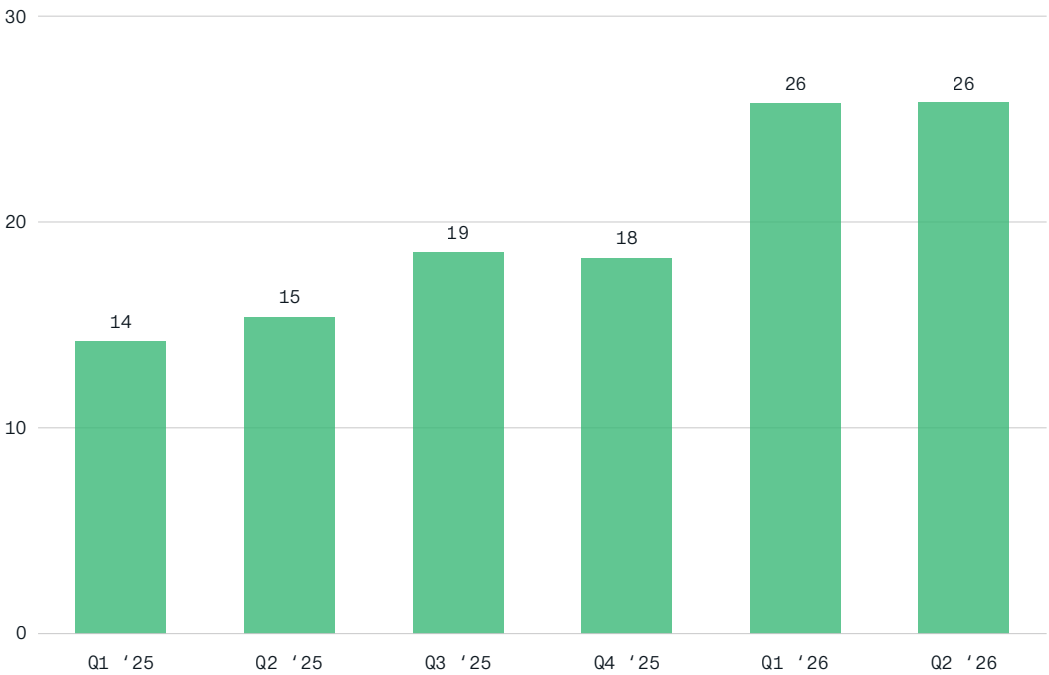


# Block capacity and usage

Throughput on Ethereum nearly doubled over the year, from 15 to 26 transactions per second, as the block gas limit doubled from 30 million to 60 million. That increase came from validators raising the limit in stages through 2025.<sup>1</sup> The gas limit is the compute budget available per block; raising it means each block can fit more transactions, which is why throughput increased without blocks becoming more congested.

Blocks are consistently around half full by design. Under EIP-1559, the protocol targets 50% fullness and adjusts the base fee automatically to keep blocks near that level. If a block exceeds 50% full, the base fee rises by up to 12.5% for the next block. If that next block is still above 50%, the fee rises again. The process continues block by block until usage falls back to the target. The same works in reverse: if blocks run below 50%, the fee falls each block until activity picks back up. The reason for targeting half rather than full capacity is to leave room to absorb demand spikes. When activity surges, blocks can expand toward their maximum while the rising fee gradually prices out lower-priority transactions.

Average transactions per second, Ethereum mainnet

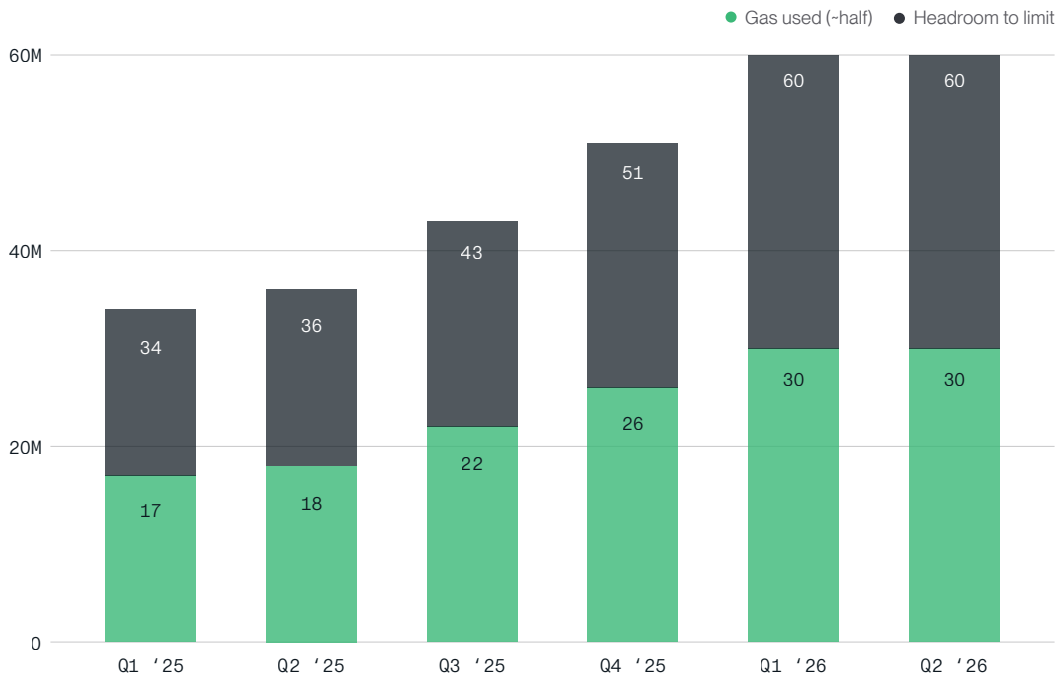


Source: Allium, Bitwise

(1) The limit reached 36 million in February 2025, 45 million in July, and 60 million in late November.



## Block capacity and usage



Source: Allium, Bitwise

## Where the blockspace goes

To identify who uses Ethereum, we rank contracts by gas consumed in Q2 2026. Gas is the unit of computation every transaction pays for, making it the cleanest proxy for blockspace demand. We attribute gas to the contract each transaction is sent to, sum by address, and express each as a share of total mainnet gas.

The largest single consumer, Tether (USDT), accounted for 6.3% of all mainnet gas, and the ten largest contracts together made up just under a quarter of the total. The heaviest single use was ordinary stablecoin transfers: Tether and Circle's USDC together consumed roughly 9% of all gas. Trading infrastructure followed, with DEX routers and aggregators from OKX, Binance and SwapX each consuming between 1.4% and 1.8%.

Two results stand out. The second-largest consumer at 3.4% of mainnet gas was a contract flagged by Etherscan as an address-poisoning contract: it sends small fake transfers to large numbers of wallets, hoping a user later copies the scammer's address by mistake. The Aztec privacy rollup consumed 1.8% of gas verifying zero-knowledge proofs on Layer 1, and the ERC-4337 EntryPoint, through which account-abstraction transactions are executed, accounted for 1.5%. Named MEV bots were present but individually small, each well under 1.5%.



### Top contracts by gas consumed

| #  | Contract                                   | Category                                                        | Gas % |
|----|--------------------------------------------|-----------------------------------------------------------------|-------|
| 01 | Tether: USDT                               | Stablecoin                                                      | 6.27% |
| 02 | 0x00fe78205f5f0e63b8ad2b2ae5337f538a610e04 | Etherscan tag: Fake_Phishing2114929 (address poisoning)         | 3.39% |
| 03 | Circle: USDC                               | Stablecoin                                                      | 2.82% |
| 04 | CoinTool: XEN Batch Minter                 | Token minting (XEN)                                             | 2.11% |
| 05 | OKX DEX Router                             | DEX router                                                      | 1.84% |
| 06 | 0xae2001f7e21d5ecabf6234e9fdd1e76f50f74962 | Aztec — privacy zk-rollup (L1 settlement / proof verification)  | 1.75% |
| 07 | OpenSea: Seaport                           | NFT marketplace                                                 | 1.69% |
| 08 | 0x0000000071727de22e5e9d8baf0edac6f37da032 | ERC-4337 EntryPoint — account-abstraction hub for smart wallets | 1.54% |
| 09 | Binance DEX Router                         | DEX router                                                      | 1.48% |
| 10 | 0x4313c378cc91ea583c91387b9216e2c03096b27f | DEX router / aggregator (SwapX)                                 | 1.38% |

Source: Allium, Bitwise



## Roadmap and outlook

Two protocol upgrades shaped the current state. The first was Pectra (May 2025), which introduced smart-account features for standard wallets (EIP-7702) and raised the maximum validator balance from 32 ETH to 2,048 ETH (EIP-7251), allowing operators to consolidate stake and run fewer validators for the same amount staked.

The second was Fusaka, in December 2025. It introduced PeerDAS, which lets nodes sample rollup blob data rather than download and store all of it. This expanded Ethereum's blob capacity, which is expected to lower the cost for Layer 2 rollups to post data to Ethereum.

What comes next is two hard forks, Glamsterdam and Hegota.

Glamsterdam is targeted for H2 2026 (though the exact date is not yet defined) and makes two main changes. The first change is enshrined proposer-builder separation (ePBS), which brings block building into the protocol itself, removing the need for trusted relays that has existed since the Merge. The second is block-level access lists, which tell the network in advance which state a transaction will touch, allowing parallel execution. Glamsterdam is also expected to increase the gas limit, with 200 million discussed as a long-term target.

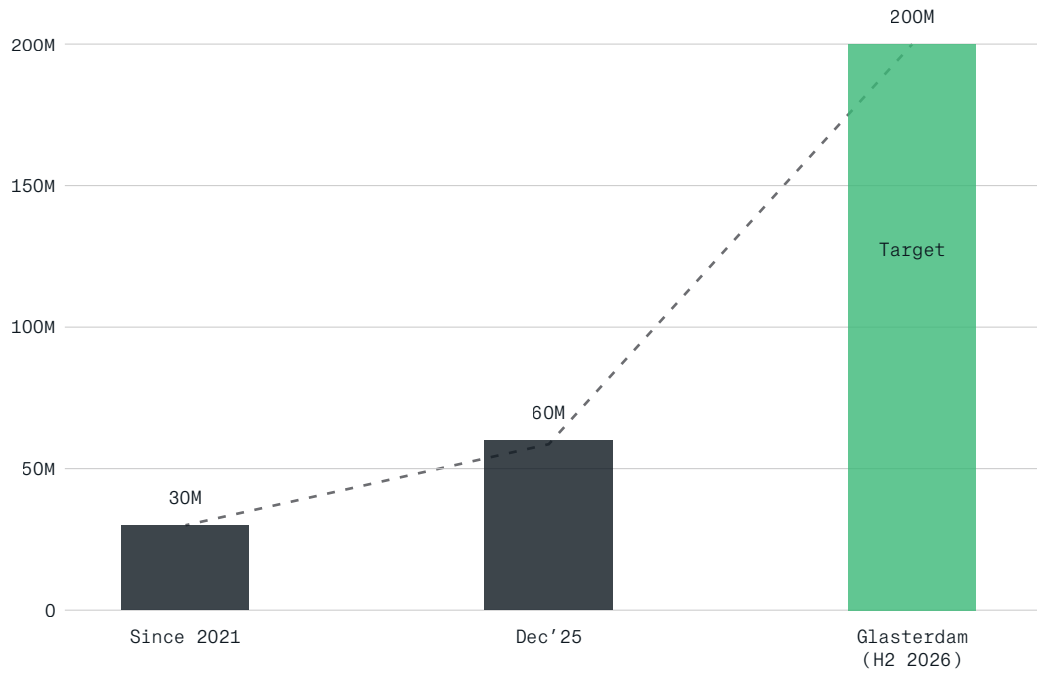
The second hard fork is Hegota, planned for late 2026, which will introduce FOCIL (EIP-7805), a consensus-layer change for censorship resistance. In each slot, a committee of 16 validators each builds a list of valid transactions it has seen in the mempool. The block builder must include those transactions, and attesters only vote for the block if it does. This distributes the power to include transactions across many participants, making it structurally difficult for any single party to exclude a transaction.

The last element to mention is block time. Under normal conditions, one block is produced every 12 seconds, and finalization takes around 12 to 15 minutes. EIP-7782 proposed halving the block time to 6 seconds by compressing the three sub-tasks inside each slot: block proposal falls from 4 seconds to 3, attestation from 4 to 1.5, and aggregation from 4 to 1.5. This proposal is not attached to a scheduled fork; it was considered for Glamsterdam but not selected.

The roadmap is intended to make Ethereum faster, cheaper, and more censorship resistant. More capacity lowers fees, and lower fees reduce the barrier for users and applications to settle on Layer 1, so execution rewards rise as demand does. That reflects where the network is in its development.

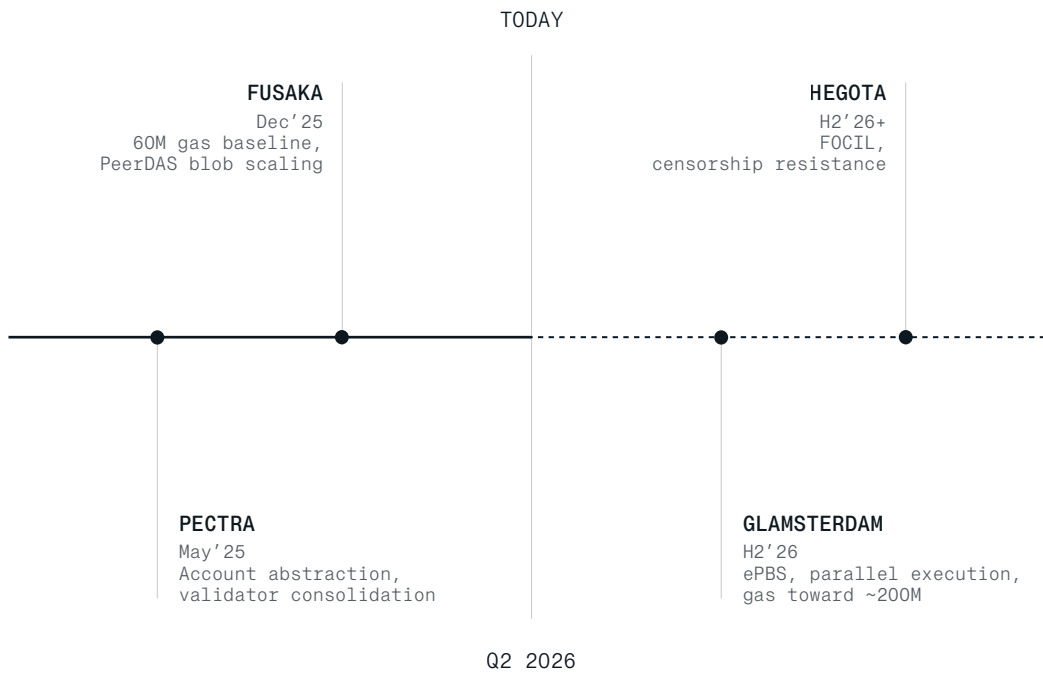


## Gas limit trajectory



Source: Allium, Bitwise

## Ethereum protocol roadmap



Source: Allium, Bitwise

# SOLANA



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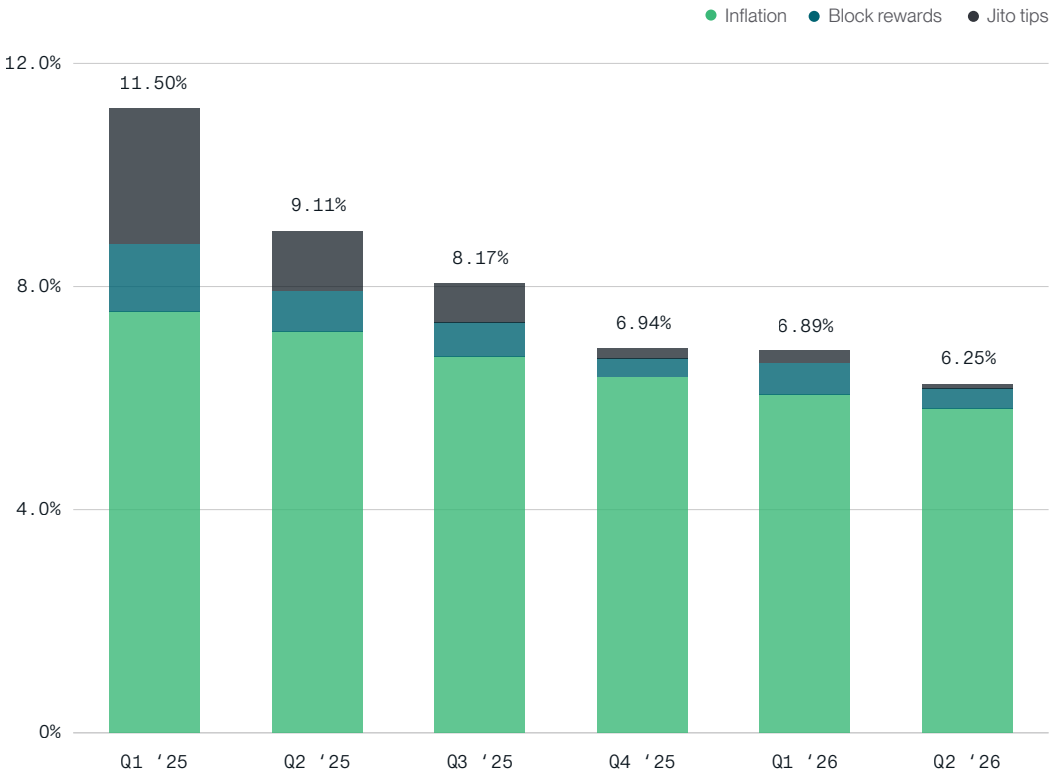


# Staking yield and stake

## Staking yield composition

Solana continues to offer one of the highest staking yields among established blockchain networks. Validator revenue is derived from three sources: protocol inflation, block rewards, and MEV tips. All three declined during H1 2026, with inflation falling according to Solana's disinflation schedule, while block rewards and tip revenue weakened due to lower network activity.

### Network gross APY



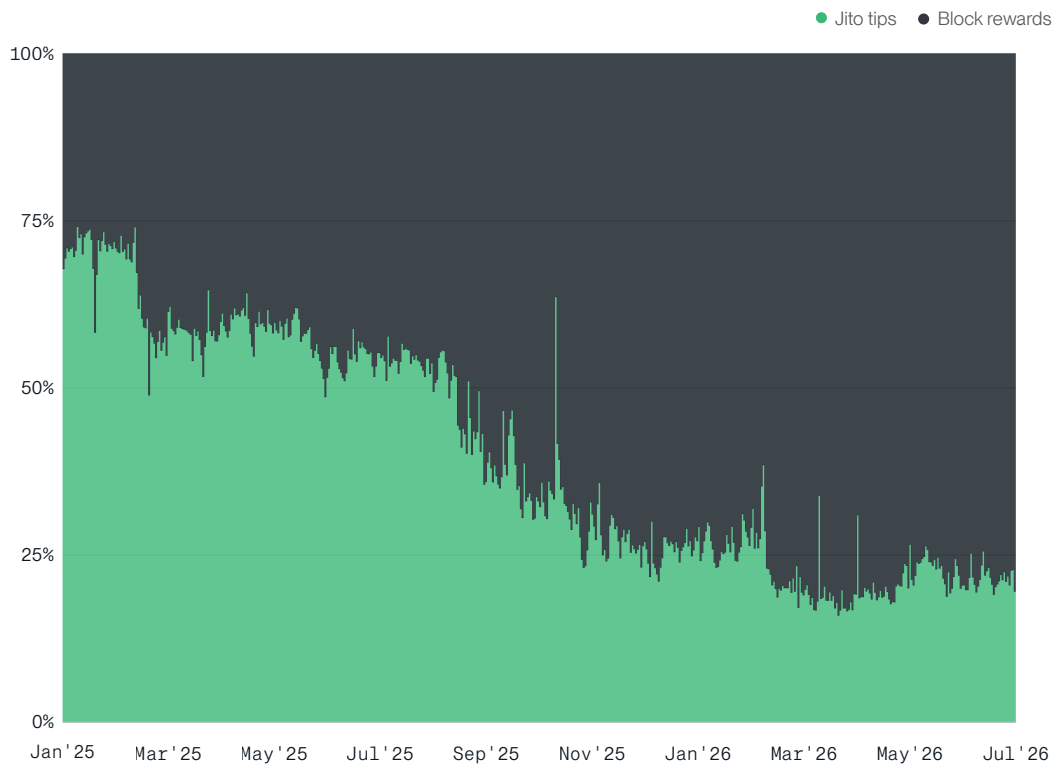
Source: Allium, Bitwise. Based on the performance of Bitwise and Bitwise O2 validators.

Despite declining from 6.1% to 5.8% in H1 2026, inflation rewards remained the main driver of staking yield, accounting for more than 90% of the total annualized staking return rate. Block rewards and Jito tips added together 0.44% in Q2 2026, down from 0.79% a quarter earlier.

One of the most notable changes, which began in 2025 and continued into 2026, was the reversal in the composition of non-inflationary staking rewards. During the trading boom of Q1 2025, Jito MEV tips accounted for roughly 70% of non-inflationary revenue. By H1 2026, block rewards had become the main source, contributing approximately 75% of non-inflationary rewards.



### Jito tips vs block rewards 2025-2026



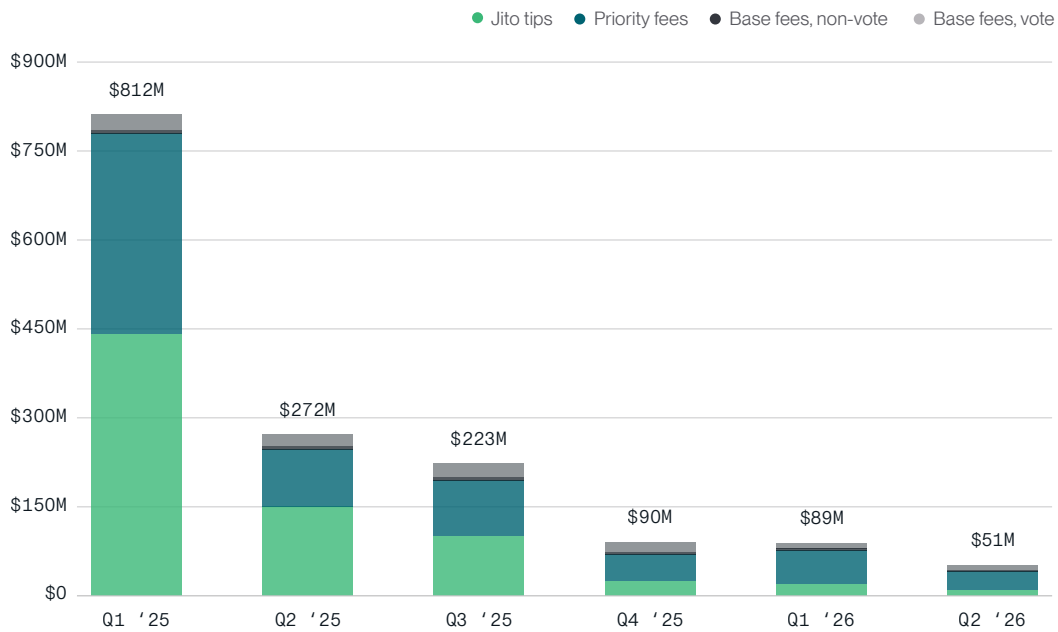
Source: Allium, Bitwise

Two factors contributed to this situation. First, lower trading activity reduced arbitrage opportunities and, with them, demand for transaction ordering through Jito bundles. Second, the growing adoption of alternative block-building clients such as Jito's Block Assembly Marketplace (BAM) and Harmonic has changed the MEV landscape, with Harmonic using its own priority fee-based bundling alternative, thereby reducing the share of revenue flowing through the traditional Jito ecosystem.

These trends accelerated following the October 2025 market crash and were then amplified by growing competition from newer trading platforms such as Hyperliquid.



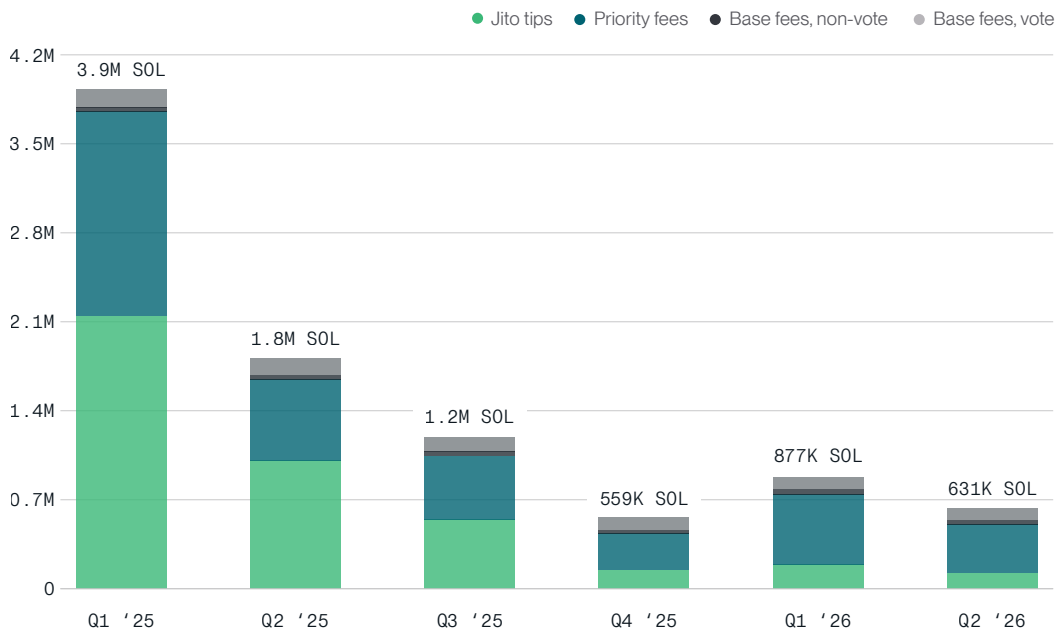
## Solana REV (USD)



Source: Allium, Bitwise

As a result, Solana's Real Economic Value (REV), or a total value paid by users to use the chain, declined throughout the period, falling from a peak of \$812 million in Q1 2025 to \$89 million a year later and then to \$51 million in Q2 2026. While lower network activity was the primary driver of the decline, weaker SOL prices also impacted REV measured in U.S. dollar terms.

## Solana REV (SOL)



Source: Allium, Bitwise



In SOL terms, the decline in chain revenue is less severe than the USD chart suggests. Solana generated roughly 3.9M SOL in REV during Q1 2025, falling to 877K SOL in Q1 2026 and 631K SOL in Q2 2026. This still represents a large reduction from the early-2025 activity spike, but the drop is meaningfully smaller than in dollar terms because SOL's price declined by 62% over the period. We also saw positive momentum in Q1 2026, suggesting that demand has improved from late 2025 lows, but has not yet fully gained momentum.

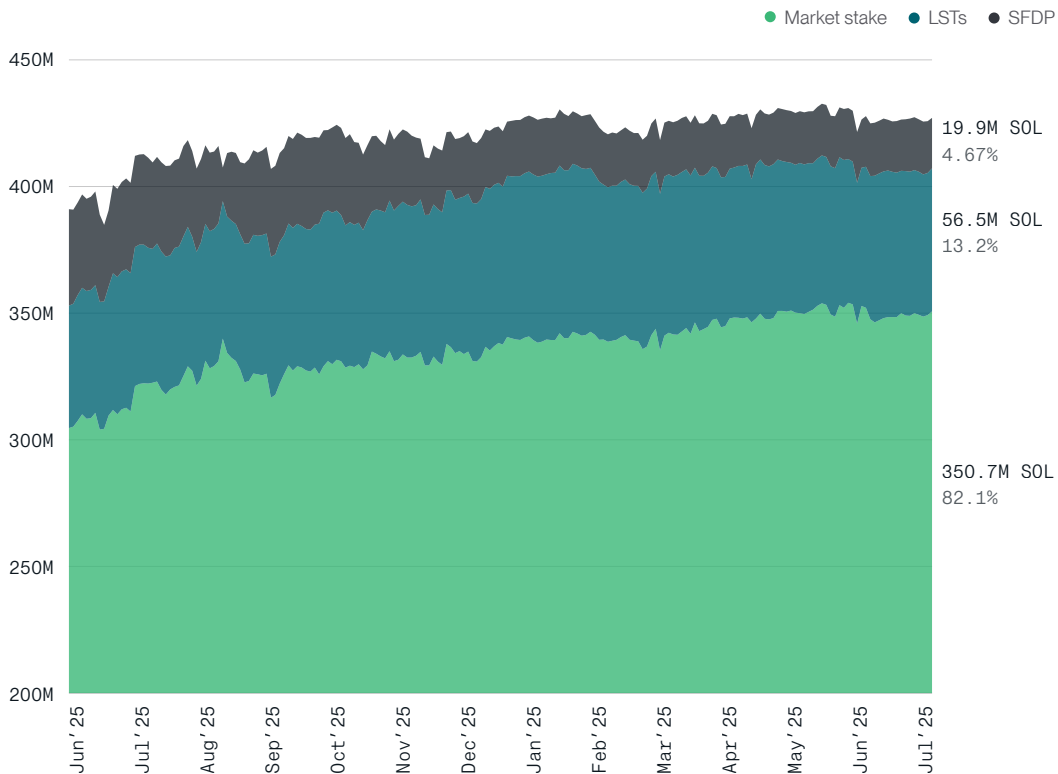
## Evolution of stake

Solana maintains one of the highest staking ratios among blockchain networks, with approximately 427 million SOL staked, representing 68% of the total 628 million SOL supply. This ratio has remained remarkably stable over the past two years, supported by the network's relatively high staking yields.

Of the staked SOL, approximately 57 million, or 13.3%, is delegated through liquid staking tokens (LSTs), while the Solana Foundation Delegation Program (SFDP) accounts for another 20 million (4.7%). The remaining 350 million SOL is staked directly by market participants.

The SFDP was established to support decentralization by delegating stake to smaller validators. However, as the Solana Foundation increasingly focuses on supporting only validators that actively contribute to the ecosystem, the program's share of total stake has declined from roughly 10% to less than 5% over the past year.

### Solana active stake composition (SOL)



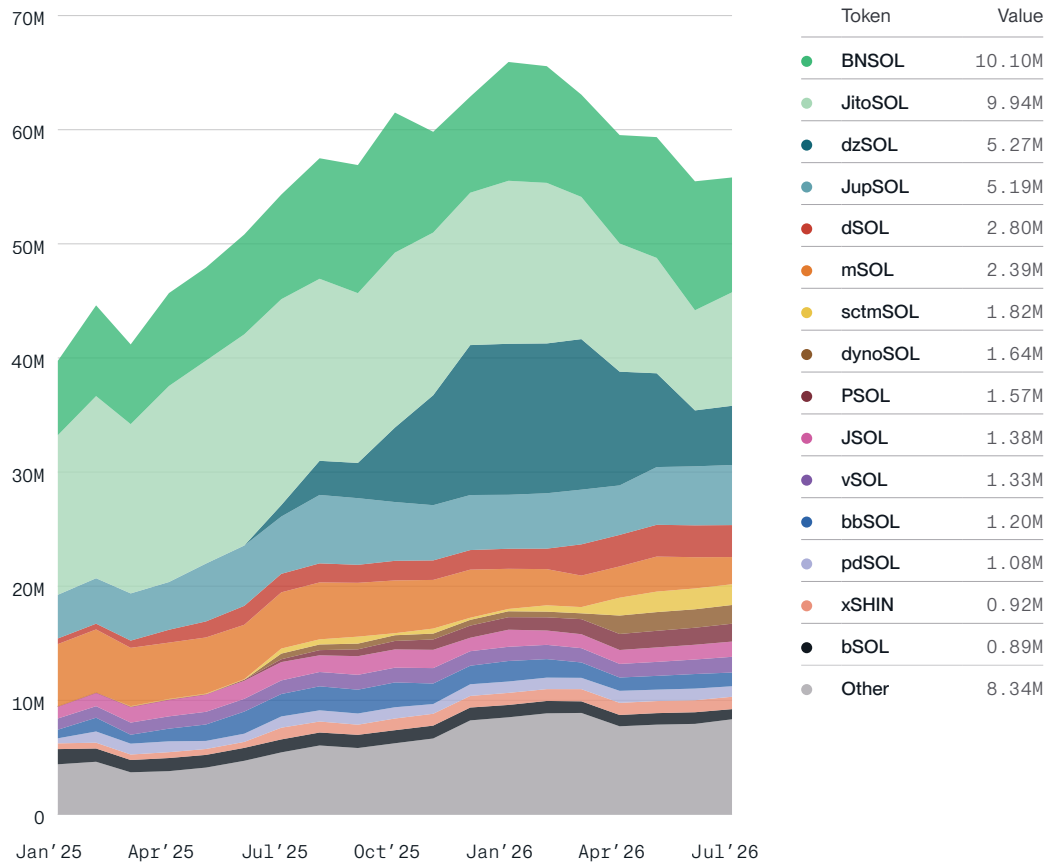
Source: Allium, Bitwise



Liquid staking continued to grow, with total LST stake increasing from 40 million SOL in January 2025 to a peak of 66 million SOL a year later, before falling back to 56.5 million SOL by June 2026.

DoubleZero was one of the biggest beneficiaries, reaching 13 million SOL at its peak between November and February 2026, before declining to its current level of 5.2 million SOL. Binance was the clear winner, growing from 6.5 million SOL at the beginning of 2025 to 10.1 million SOL and reinforcing its position as one of crypto's dominant platforms.

### Solana LST market composition (SOL)



Source: Allium, Bitwise

JitoSOL experienced the biggest fall, dropping from a peak of 18.5 million SOL in June 2025 to 9.9 million SOL a year later. Marinade followed a similar trajectory, declining from 5.5 million SOL to 2.4 million SOL.

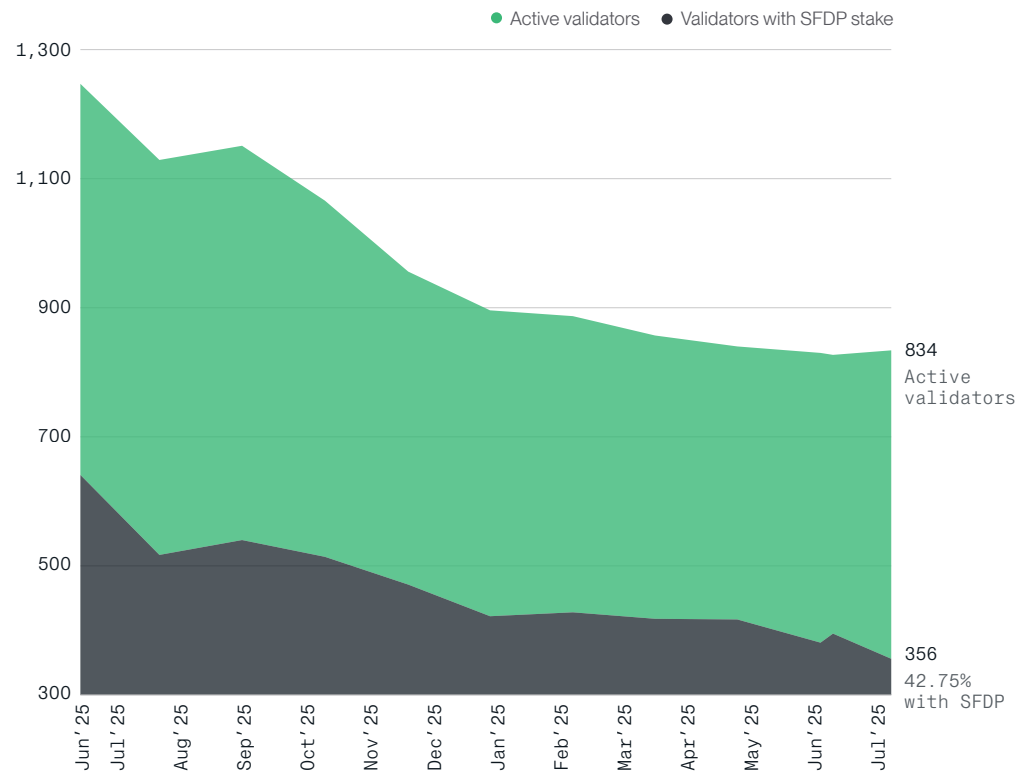
The main takeaway is that liquid staking growth is no longer dominated by incumbents. JitoSOL and Marinade lost market share, while BNSOL, dzSOL, dSOL, and smaller LSTs captured much of the growth.



## Validator consolidation

Active validator count fell from approximately 1,250 in June 2025 to roughly 830 a year later, a 34% reduction in just 12 months. This happened because voting alone costs around 1 SOL per day (roughly \$25,000 annually at recent prices) before hardware and infrastructure expenses. For validators with insufficient delegation, profitability has become increasingly difficult to achieve. Combined with the gradual reduction of SFDP stake, this has accelerated the exit of smaller operators from the network.

### Solana validator set



Source: Allium, Bitwise

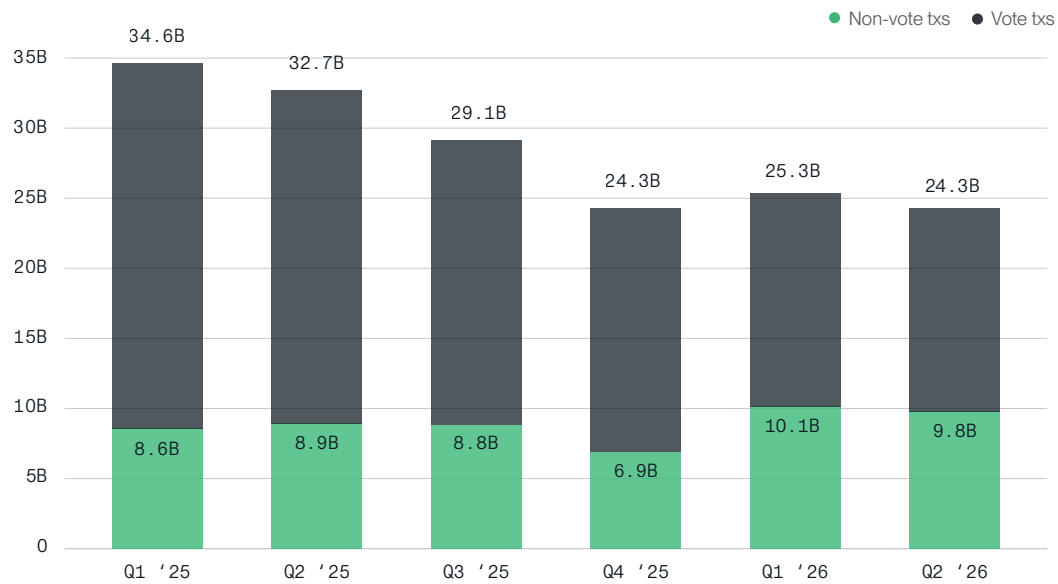
## Onchain activity

### Throughput, block utilization and slot time

Despite weaker market conditions and lower network revenues, activity on Solana remained resilient. The network processed 10.1 billion non-vote transactions in Q1 2026, up 18% year-over-year, while Q2 saw 9.8 billion transactions processed, in line with the prior year.



## Solana transaction count

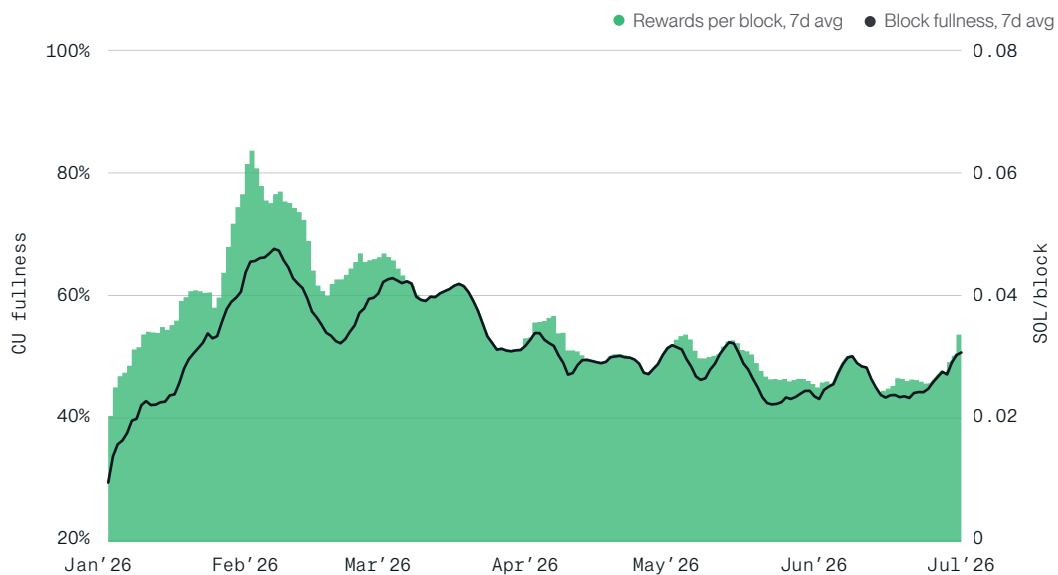


Source: Allium, Bitwise

This suggests that demand for Solana blockspace remained strong, and in fact, continued to grow despite weaker market conditions. While fee generation and REV declined from their 2025 highs, user activity remained resilient. This raises an obvious question: if transaction activity was strong, what drove the decline in REV?

On Solana, transactions consume compute resources measured in compute units (CUs). Each block has a fixed CU capacity that determines how much activity can be processed. That capacity increased from 48 million to 60 million CUs over two updates in April and July 2025 and is expected to rise to 100 million CUs in 2026.

## Block fullness and rewards



Source: Allium, Bitwise



Despite resilient transaction activity, average non-vote CU utilization declined from 55.5% in Q1 2026 to 47.5% in Q2 2026. The decline reduced competition for blockspace, lowering demand for priority fees and Jito tips. As a result, average rewards per block fell 31% QoQ, from 0.041 SOL in Q1 to 0.0287 SOL in Q2.

| Metric                                         | Q1 '25  | Q2 '25  | Q3 '25  | Q4 '25  | Q1 '26  | Q2 '26  |
|------------------------------------------------|---------|---------|---------|---------|---------|---------|
| Average daily non-vote transactions            | 95.3M   | 98.3M   | 95.9M   | 75.2M   | 112.6M  | 107.6M  |
| Average TPS non-vote                           | 1,103   | 1,138   | 1,109   | 870     | 1,303   | 1,246   |
| Average block fullness (non-vote transactions) | 73.73%  | 75.07%  | 56.88%  | 38.40%  | 55.54%  | 47.46%  |
| Average reward per non-vote transaction        | \$0.095 | \$0.030 | \$0.025 | \$0.013 | \$0.009 | \$0.005 |

Source: Allium, Dune Analytics, Bitwise

The main takeaway is that Solana's revenue decline was driven by lower congestion. With blockspace becoming less scarce, users had little reason to bid aggressively for inclusion, leading to lower REV.

Another important network metric is slot time. Solana targets a slot length of approximately 400 ms, though actual slot times vary depending on validator behavior. Different schedulers make different trade-offs, and some may extend slots slightly to capture additional transactions and maximize block revenue.

Average slot time (ms)



Source: Allium, Bitwise



Slot times generally remained close to, or slightly below, the 400 ms target. After peaking in January 2025, they trended lower, reaching approximately 385 ms in Q4 2025, before rising again close to 400 ms in Q2. A likely explanation is the economic incentive for validators to extend slots and construct higher-value blocks, which happens at the expense of slowing down the network.

## Application activity

The Solana application layer generated \$227 million in Q2 2026, down 31% from \$328 million in Q1. However, much of this decline can be attributed to SOL's price performance, which fell by a similar amount over the period.

### Top revenue-generating applications Q2 2026

|                                                        | Revenue        | vs Q1 '26      | vs Q2 '25 |
|--------------------------------------------------------|----------------|----------------|-----------|
| <b>PUMP</b><br>Memecoin launchpad                      | <b>\$90.1M</b> | -26.3%         | -44.8%    |
| <b>COLLECTOR CRYPT</b><br>NFT marketplace/collectibles | <b>\$32.2M</b> | <b>+161.7%</b> | —         |
| <b>PACIFICA</b><br>Perpetual DEX                       | <b>\$20.0M</b> | <b>+6.1%</b>   | —         |
| <b>JUPITER</b><br>DEX aggregator/perps/lending         | <b>\$15.3M</b> | -34.8%         | -54.4%    |
| <b>PHANTOM</b><br>Wallet                               | <b>\$11.9M</b> | -50.4%         | -78.1%    |
| <b>AXIOM</b><br>Trading terminal                       | <b>\$9.8M</b>  | -74.4%         | -83.9%    |
| <b>ORE</b><br>Mining/token distribution                | <b>\$8.0M</b>  | -12.7%         | —         |
| <b>FOMO</b><br>Trading terminal                        | <b>\$6.0M</b>  | -7.2%          | —         |
| <b>METEORA</b><br>Liquidity/DEX                        | <b>\$5.5M</b>  | -51.8%         | -80.8%    |
| <b>HELIUM</b><br>DePIN                                 | <b>\$3.4M</b>  | <b>+9.6%</b>   | —         |

Source: Blockworks Research

The app revenue leaderboard shows that trading remains Solana's dominant use case, with seven of the top ten revenue-generating applications connected to trading. Pump remains the largest by a wide margin, generating \$90.1 million in Q2 2026, roughly three times the revenue of Collector Crypt (\$32.2 million). Together, the two apps generated more than half of all revenue produced by the top ten.

Collector Crypt is a collectibles platform focused on tokenized real-world assets, primarily cards such as Pokemon. The platform gained traction following the introduction of gachas, randomized packs with tokenized collectibles that users can hold, trade, or redeem for physical delivery. Revenue grew 161% QoQ, making Collector Crypt the strongest grower among the top applications.

A notable newer entrant is Pacifica, which generated \$20.0 million in Q2 2026, up slightly from \$18.9 million in Q1. Pacifica is a hybrid perpetuals exchange: Its matching engine runs offchain for low-latency execution, while custody and settlement are handled onchain

The remainder of the leaderboard is dominated by trading infrastructure. Jupiter generated \$15.3 million as Solana's primary hub for swaps, perps, and lending, while trading terminals Axiom and Fomo generated \$9.8 million and \$6.0 million, respectively. Meteora added another \$5.5 million through its traditional DEX.



One omission from the rankings is the growing class of proprietary automated market makers, or propAMMs. Unlike traditional AMMs, propAMMs do not typically charge explicit fees. Instead, they operate more like market makers in TradFi, generating revenue through bid-ask spreads. As a result, their profitability is significantly harder to measure.

Given the growing importance of propAMMs, particularly in liquid markets, the true revenue generated by Solana's trading ecosystem is higher than the leaderboard suggests.

## Roadmap and Outlook

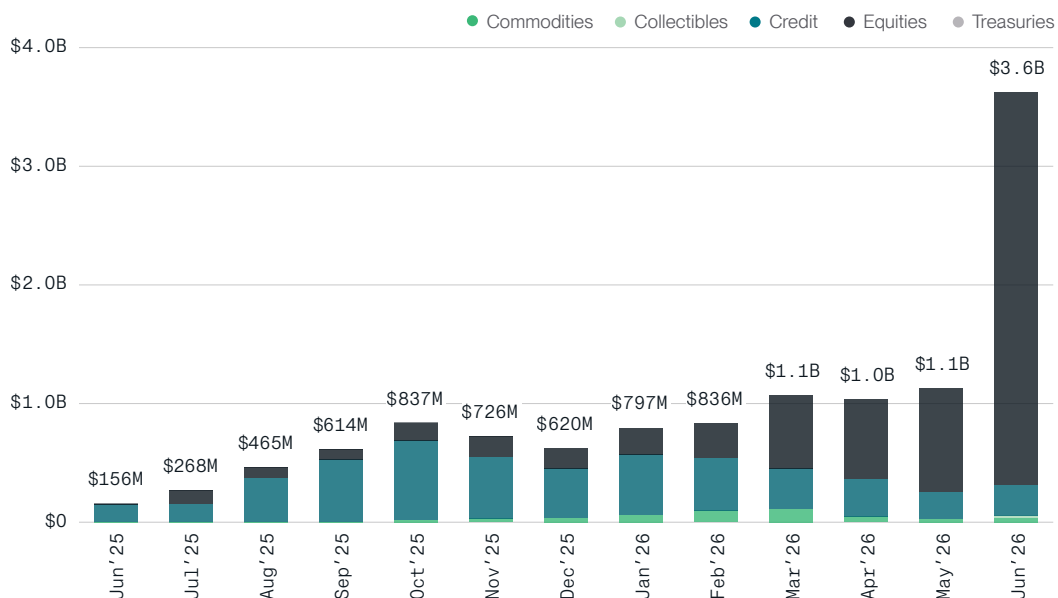
Despite the weaker market environment, H2 2025 and H1 2026 were among the most consequential periods in Solana's history from a product and infrastructure perspective. The ecosystem saw the rise of propAMMs, the launch of tokenized equities, major advances in block-building infrastructure, and the announcement of Alpenglow, Solana's next-generation consensus protocol.

Below, we examine some of the most important developments from the last year and their potential impact on the network.

### Tokenized equities

On June 12, the largest IPO in the history of the equity markets took place. SpaceX went public at a \$1.77 trillion valuation, drawing significant attention from both institutional and retail investors. Solana was more than ready.

#### Tokenized assets volume (USD)



Source: Blockworks Research



In 2025, tokenized asset volumes were driven mostly by credit. In 2026, equities grew from \$226M in January to \$871M in May, then exploded to \$3.3B in June, thanks to SpaceX going public.

On Solana, one could buy the tokenized SpaceX equity, \$SPCX, through three different vehicles: Backpack, xStocks, and PreStocks. Across all three, the stock generated \$600 million in volume since the IPO, 85% of which came from Backpack.

Another Wall Street darling, memory-chip maker Micron (ticker \$MU), started trading on Solana in early May but achieved significant volume only after launching with Backpack Securities on June 22. The stock's total quarterly volume reached \$107.9 million by the end of June, of which \$106.7 million traded on Backpack.

The reason for Backpack's dominance in the tokenized equities segment may be that Backpack allows a user to redeem tokenized stock on Solana for an underlying asset via their exchange, Backpack Securities.

If there's one category to drive the next stage of growth on Solana, real-world assets, especially tokenized equities trading, seem like a perfect fit.

### **Block-building infrastructure: Jito BAM vs Harmonic**

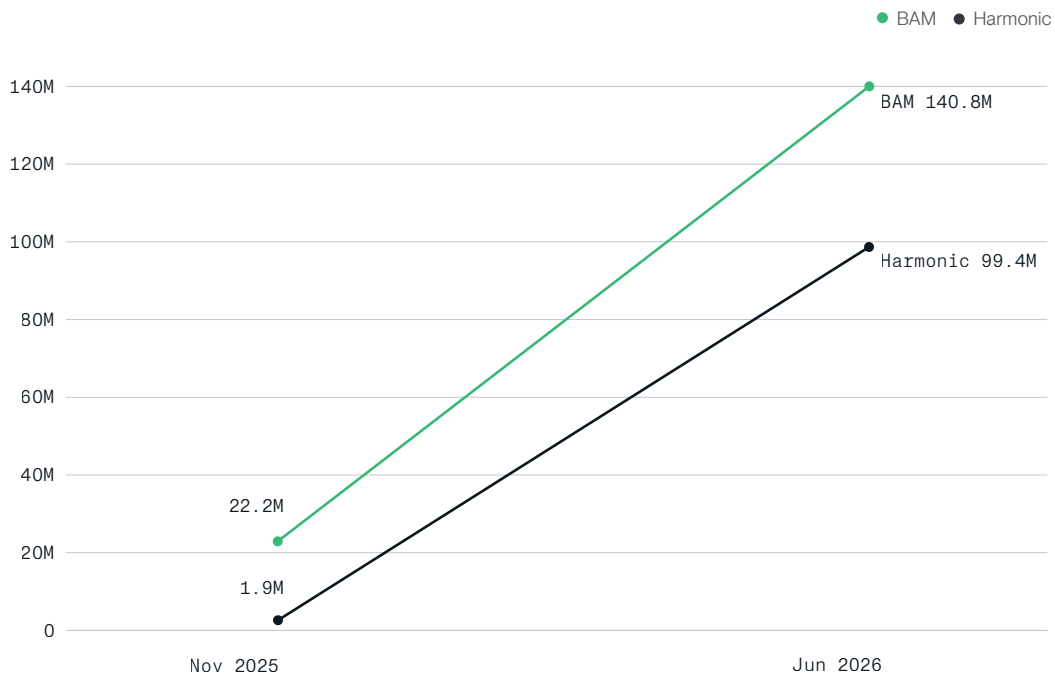
The block-building race began in late 2025 with the launch of Jito Block Assembly Marketplace (BAM) in September and Harmonic in November, each with a different vision for Solana's future.

Traditionally, validators were responsible for both proposing blocks and deciding which transactions to include and in what order. As MEV became increasingly valuable, this raised concerns around centralization and market fairness. New block-building systems introduce a division of labor between transaction ordering and block proposal. BAM and Harmonic explore this architecture through different approaches: BAM emphasizes transaction privacy and predictable execution, while Harmonic emphasizes competition between builders.

Despite their recent launch, both have achieved meaningful adoption. Validators running BAM account for ~140.8 million staked SOL (33.0% of the total stake), while Harmonic validators account for 99.4 million SOL (23.3% of the total stake). Together, they hold roughly 56% of all the stake on the network, meaning that a majority of Solana blocks are now produced by these systems. As of the end of June 2026, both ecosystems remain closed as both teams operate the block-building infrastructure privately.



### BAM vs Harmonic active stake (SOL)



Source: Allium, Bitwise

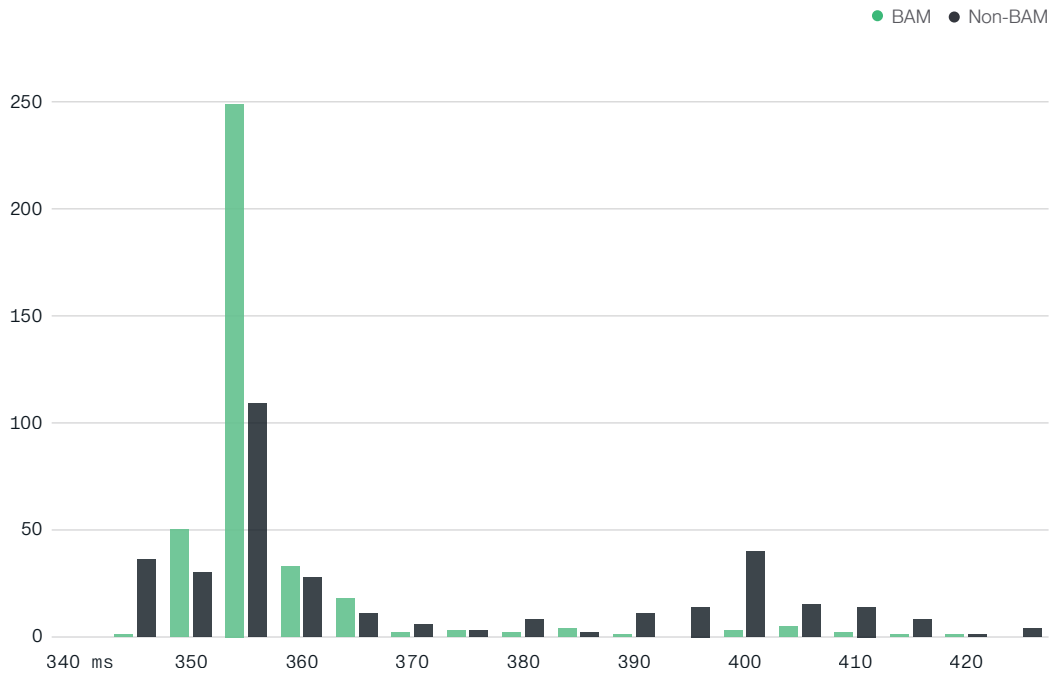
### *Jito BAM*

BAM's architecture is built around trusted execution environments (TEEs). TEEs allow participants to verify that a node is executing approved code and has not been modified in a way that compromises transaction privacy or changes execution. This creates a more trusted environment for market participants submitting order flow.

Beyond privacy, BAM introduces a standardized block-building environment. Today, Solana market makers operate in a fragmented ecosystem where validators run different clients, including Agave, Frankendancer, BAM, and Harmonic, and, in many cases, different scheduler implementations within those clients. The scheduler determines how transactions are ordered within a block. As a result, transaction landing behavior varies across validators, forcing market makers to adapt their strategies to different execution environments. Greater standardization would bring Solana closer to the predictability expected from professional trading venues. BAM addresses this issue by deploying a single scheduler across all BAM nodes, giving market makers a more predictable environment.

BAM also connects many of the fastest validators on the network. The distribution of median slot times across validators during epochs 971–980 shows BAM validators tightly clustered around lower slot times, while non-BAM validators display a much longer tail of slower performers.

### Validator median slot time distribution



Source: Trillium

BAM validators dominate the 350–360 ms range and are largely absent from the slowest segments of the distribution. This shows that BAM reduces the prevalence of lagging validators, contributing to lower latency and more predictable network performance.

### Harmonic

The vision behind Harmonic resembles the architecture that emerged on Ethereum, where independent builders compete to construct the most valuable block. To support this model, Harmonic offers several strategies optimized for different objectives, including First-Come, First-Served (FCFS) for low-latency execution, Maximum REV (MREV) for validator revenue maximization, 50 ms Frequent Batch Auctions (FBA) that group transactions into short auction windows before ordering them, and bespoke configurations with custom batch times, transaction ordering rules, and bundle treatment.<sup>2</sup>

Beyond validator revenue, Harmonic places emphasis on reducing toxic MEV. In particular, as the table below shows, Harmonic validators consistently show some of the lowest sandwich attack rates on the network.<sup>3</sup> This is particularly important for Solana's ambitions as a trading venue. Traditional financial markets rely on a combination of regulation and market surveillance to limit predatory trading practices. Public blockchains must address the same challenges through protocol design and infrastructure. Harmonic's focus on reducing sandwiching represents one approach to improving execution quality and making Solana more attractive to institutional traders.

(2) Source: Harmonic Documentation (<https://docs.harmonic.gg/concepts/scheduling-strategies>).

(3) A sandwich attack occurs when a trader detects a user's transaction and inserts one trade immediately before it and another immediately after it. The result is worse execution for the user and value extraction by the trader.



### Harmonic's sandwich rate compared to the network average

| Group    | Active stake<br>(SOL) | 30-day<br>sandwich rate | 60-day<br>sandwich rate |
|----------|-----------------------|-------------------------|-------------------------|
| Network  | 429.4M                | 0.79%                   | 0.81%                   |
| Harmonic | 99.4M                 | 0.69%                   | 0.67%                   |

Source: Sandwiched.me. Data as of 15 June 2026.

### *Alpenglow*

The most ambitious protocol upgrade currently under development is Alpenglow, a new consensus protocol designed to replace Solana's existing Tower BFT mechanism. Scheduled for deployment in Q3 2026, it represents the most significant change to Solana's core architecture since mainnet launch.

The main benefit of Alpenglow is faster finality. While Solana already offers some of the fastest block times in the industry, transactions still require roughly a dozen seconds to reach finality. Alpenglow aims to reduce this to hundreds of milliseconds.

To achieve this, Alpenglow introduces a redesigned consensus mechanism based on a two-round voting process, replaces Proof of History with validator-local clocks, and moves away from the current gossip-based messaging system to direct validator communication. These changes substantially simplify the consensus layer and reduce the communication overhead.

Alpenglow also removes onchain voting. By moving consensus messages offchain, the protocol eliminates vote transactions and reduces validator operating costs, while freeing up blockspace for non-vote activity.

### *200 ms slot times*

Reduction of finality time, or irreversibility of transactions, is a major efficiency improvement for Solana. However, it feels incomplete without a parallel reduction of slot times. For this reason, SIMD-0525, which reduces target slot times from around 400 ms to 200 ms, is expected to be deployed ahead of Alpenglow's planned Q3 2026 launch.

By halving slot times, Solana would effectively double its block production frequency and reduce latency. The proposal would also shorten the leader window from 1.6 seconds to 800 ms, leaving validators less time to delay block production in search of more profitable transactions.

For traders and market makers, faster slots mean quicker execution and more predictable transaction landing. For validators, however, the change increases operational pressure: Vote transactions would roughly double under the current consensus model, increasing costs until Alpenglow is fully implemented.



## Inflation reduction and SOL burn increase

SOL inflation has long been a contentious topic within the Solana community. When Solana launched in 2020, it adopted an 8% inflation rate to bootstrap validator participation and ecosystem growth. Under the current schedule, inflation declines by 15% annually until reaching a terminal rate of 1.5% in 2031.

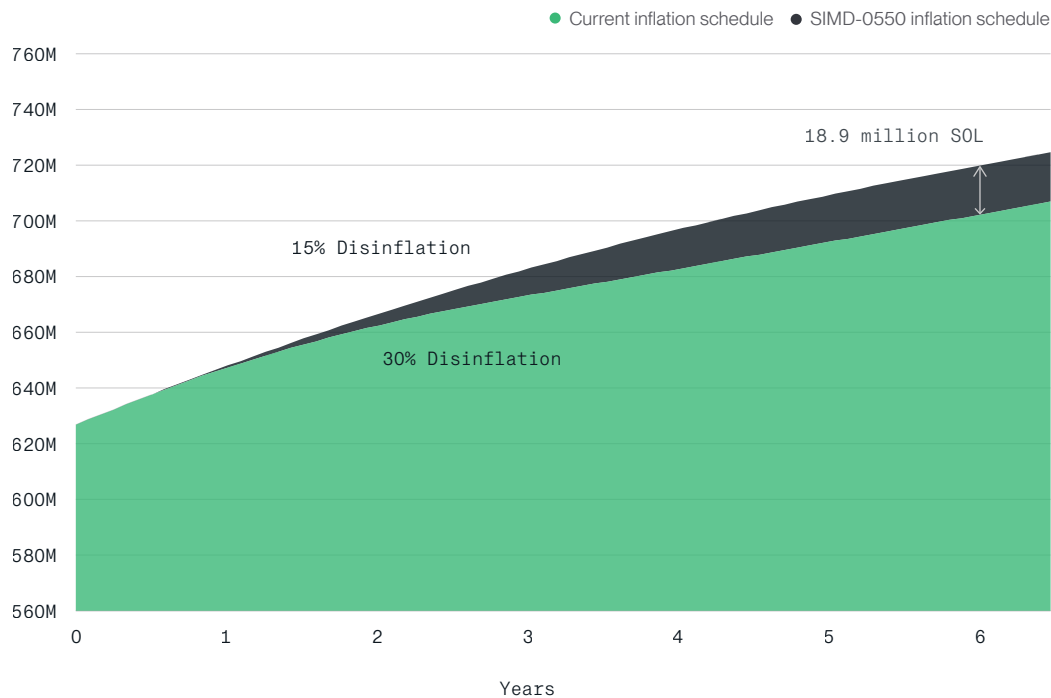
As the network matured, a growing number of participants began arguing that the inflation rate had outlived its original purpose. Supporters of lower inflation contend that SOL's current 3.8% inflation rate discourages participation in DeFi by making staking comparatively attractive, while also creating persistent selling pressure as stakers liquidate rewards to cover tax liabilities and operating expenses.

To put inflation into perspective, when SOL first reached \$250 in Q4 2021, its market cap stood at approximately \$75 billion. When it returned to the same price level in Q3 2025, its market cap had grown 80% to \$135 billion.

The first major attempt to address inflation came in early 2025 with SIMD-0228,<sup>4</sup> a proposal authored by Multicoins that would have replaced Solana's fixed disinflation schedule with a market-based mechanism linked to staking participation. The proposal sparked one of the largest governance debates in Solana's history but ultimately failed to secure the required supermajority.

Following SIMD-0228, the debate evolved toward more targeted approaches to improving SOL value accrual. One such proposal is SIMD-0550,<sup>5</sup> authored by Helius, which would change Solana's disinflation rate from 15% to 30%. The proposal leaves the issuance model unchanged but allows the network to reach its 1.5% terminal inflation rate in 2028 instead of 2031, reducing cumulative issuance by nearly 19 million SOL.

### SOL inflation: current trajectory vs SIMD-0550



Source: Helius

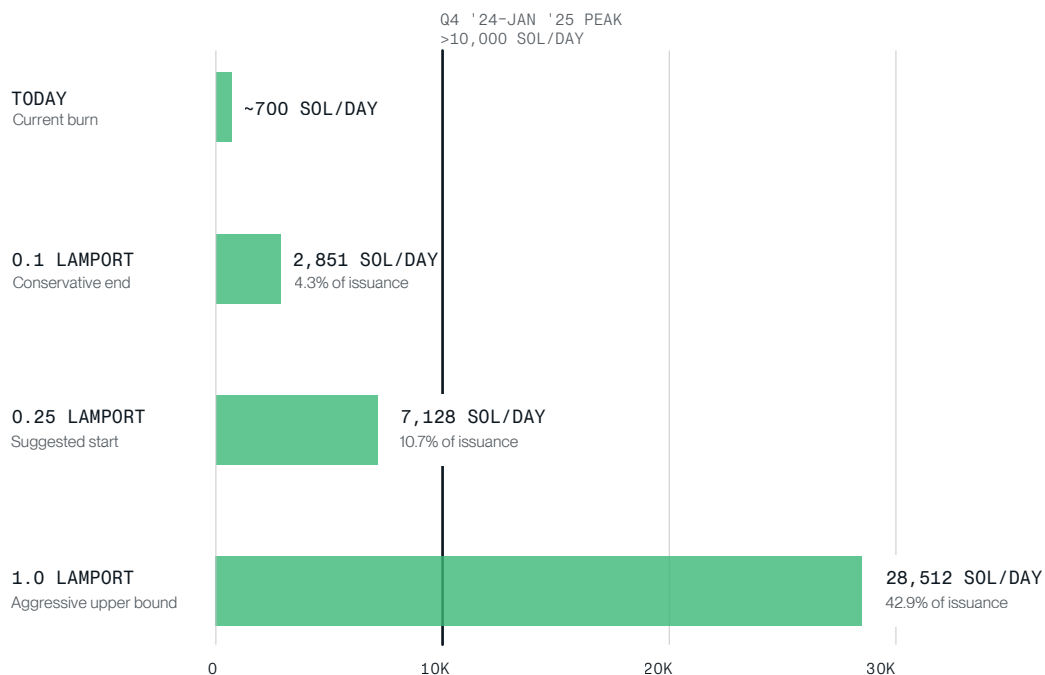
(4) <https://chorus.one/reports-research/an-analysis-of-simd-228>

(5) <https://www.helius.dev/blog/simd-550-solana-disinflation>



The second new proposal, SIMD-0547 by Temporal, approaches the problem from a different direction.<sup>6</sup> Rather than reducing issuance, it increases the amount of SOL burned by introducing a fee based on requested network resources. Today, users can reserve large amounts of compute without paying a meaningful cost if those resources ultimately go unused. Under SIMD-0547, transactions would pay a small fee based on the resources they request, regardless of actual consumption, with the proceeds fully burned.

#### Estimated daily SOL burn under SIMD-0547



Source: Blockworks Research

The potential impact of SIMD-0547 on SOL burn could be significant. At the proposed starting point of 0.25 lamports per requested compute unit, the mechanism would burn approximately 7,128 SOL per day, equivalent to roughly 11% of current daily issuance. While not sufficient to offset inflation, SIMD-0547 would materially increase SOL's burn rate and improve long-term value accrual.

# HYPERLIQUID



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## The value-accrual mechanism

In Q2 2026, Hyperliquid had seven revenue lines. All of them result in HYPE being removed from circulating supply, either through buybacks via the Assistance Fund or direct burns. The Assistance Fund is a system address built into the protocol, with no private key and no owner. Fees are automatically converted into HYPE and sent there, where they are permanently inaccessible. Since a December 2025 governance vote, all HYPE held in the fund is formally recognized as burned and excluded from circulating supply.

|    |                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 01 | <b>Perpetual trading fees (natively-listed markets)</b> | Every perpetual trade pays a fee in the trade's quote asset (USDC, USDT, USDe, etc). This is Hyperliquid's largest revenue line. <sup>7</sup> The fees in the quote asset flow to the Assistance Fund, which uses them to buy and burn HYPE.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 02 | <b>HIP-3 perpetual fees (net)<sup>8</sup></b>           | HIP-3 allows any team to deploy a perpetual market by staking 500,000 HYPE. These markets reference crypto or real-world assets such as commodities, equities, and indices. On HIP-3 markets, the trading fee is shared between Hyperliquid and the deploying team. By default, it is set at twice the standard Hyperliquid perpetual rate and split evenly (50/50); a deployer can take a smaller share but never more than half. This line is significantly reduced today because most HIP-3 markets currently run in 'growth mode', a per-market setting that reduces the entire fee, both Hyperliquid's share and the deployer's, by around 90% to help new markets attract liquidity. |
| 03 | <b>Spot trading fees</b>                                | Fees collected in USDC flow to the Assistance Fund and fund HYPE buybacks. Fees collected in HYPE are burned directly.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 04 | <b>HyperEVM gas fees</b>                                | Gas paid by users transacting on HyperEVM. <sup>9</sup> Both components are burned.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 05 | <b>Listing and deploy auctions</b>                      | To list a new spot token or deploy a new HIP-3 market, teams must win a Dutch auction. The winning bid is paid in HYPE and burned.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 06 | <b>Order priority fees</b>                              | Traders can pay to have their orders prioritized in execution ordering. Fees are paid in HYPE and burned directly. This line was zero before 2026.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 07 | <b>Gossip priority fees</b>                             | Participants bid in a recurring auction to receive market data faster than the standard feed. Fees are paid in HYPE and burned directly. This line was also zero before 2026.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

(7) Our data source reports a single perpetual-fee total covering all markets. For this revenue line, we only take into account revenues from pairs that are not HIP-3 related.

(8) The figures reported on HIP-3 are net of the deployer's share using the actual onchain deduction; the remainder flows to the Assistance Fund and funds HYPE buybacks.

(9) We compute this from onchain gas consumed, including both the base fee and the priority tip, converted to USD.



From \$22 million in Q1 2025, fees directed to the buyback grew to a peak of \$332 million in Q3 2025, before settling at \$186 million in Q1 2026 and \$175 million the following quarter. Perpetual fees on natively listed markets accounted for 83% of total revenue in Q2 2026, with the remaining 17% split across HIP-3 perps, spot, HyperEVM gas, priority fees, and auctions.<sup>10</sup>

### Hyperliquid protocol revenue by quarter (USD)



Source: Allium, Bitwise

The more interesting development has been diversification. HIP-3 launched on 13 October 2025 and fees were negligible in its first quarter, but by 2026 they had become a meaningful second line: \$18 million in Q1 and \$14 million in Q2, around 8% of total revenue. As core crypto-perp fees fell, fees from non-crypto markets such as commodities, equities, and indices grew to partly offset the decline. The remaining lines—spot, HyperEVM gas, listing auctions, and the two priority-fee mechanisms introduced in 2026—are small individually but growing.

(10) Two revenue lines are not yet reflected in the Q2 2026 figures. HIP-4 outcome markets are live and growing, with volume increasing from \$149 million in May to \$287 million in June 2026, but trading fees remain off during the initial testing phase. AQA v2 is a framework under which an aligned stablecoin issuer shares approximately 90% of the yield earned on its reserves with the protocol, paid into the Assistance Fund and used to buy back HYPE. It has been approved by validator governance and applies to USDC via Coinbase and Circle, but the first payments had not begun as of Q2 2026.



### Hyperliquid protocol revenue by quarter (USD)

| Revenue                 | Q1 '25   | Q2 '25    | Q3 '25    | Q4 '25    | Q1 '26    | Q2 '26    |
|-------------------------|----------|-----------|-----------|-----------|-----------|-----------|
| Perp trading fees       | \$21.33M | \$164.94M | \$297.00M | \$229.59M | \$155.43M | \$145.66M |
| HIP-3 perp fees (net)   | –        | –         | –         | \$4.60M   | \$18.30M  | \$14.11M  |
| Spot trading fees       | \$1.01M  | \$8.45M   | \$29.42M  | \$15.66M  | \$7.42M   | \$8.16M   |
| HyperEVM gas fees       | \$0.16M  | \$1.66M   | \$3.06M   | \$3.81M   | \$1.85M   | \$2.19M   |
| Listing/deploy auctions | –        | \$0.49M   | \$2.15M   | \$2.18M   | \$3.46M   | \$1.74M   |
| Order priority fees     | –        | –         | –         | –         | –         | \$1.56M   |
| Gossip priority fees    | –        | –         | –         | –         | –         | \$1.38M   |
| Total                   | \$22.51M | \$175.55M | \$331.63M | \$255.84M | \$186.46M | \$174.82M |

Source: Allium, Bitwise

## Stake and delegation

438 million HYPE is staked, or 43.8% of total supply. Staking works through delegation: Holders assign their HYPE to a validator, which uses it to participate in HyperBFT consensus and earns staking rewards in return. Those rewards compound automatically back into the staked balance every day, currently yielding 2.2% annualized. This yield is not paid out of trading fees or protocol revenue, but rather is funded by HYPE token emissions from a dedicated emissions reserve.

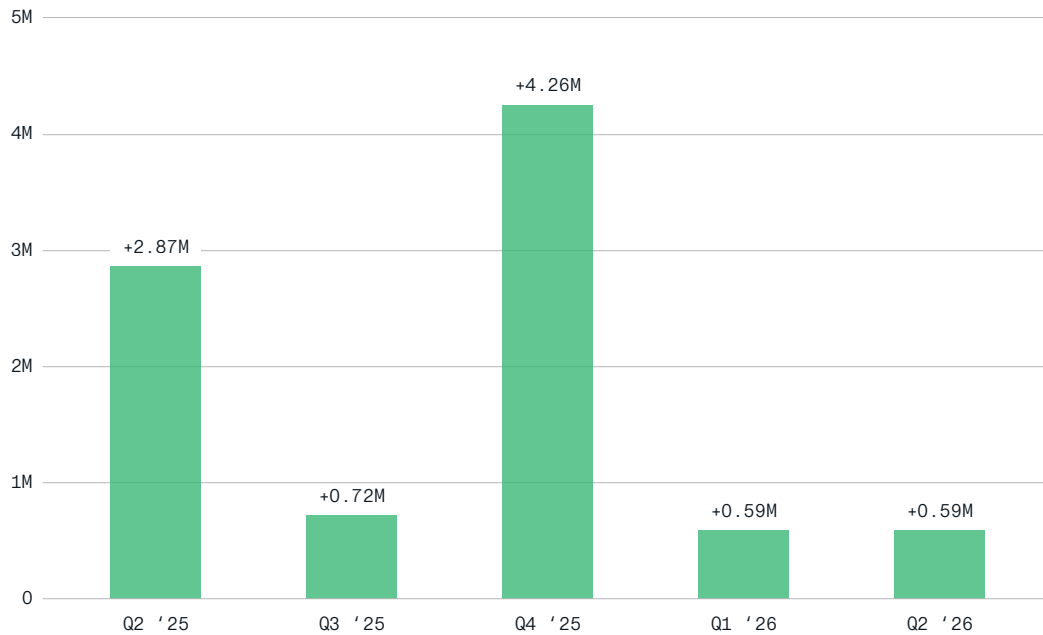
The validator set remains concentrated but is decentralizing. It started with five Foundation-only validators and has expanded progressively to 16, 21, 24, and finally 27 validators by the end of Q2 2026. The five validators operated by the Hyper Foundation currently hold roughly 49% of all staked HYPE, down from more than 60% in Q2 2025.

Delegation flow has been positive in every quarter. In Q2 2026 the network saw a net addition of 0.59 million HYPE, roughly level with Q1 2026 and well below the 4.26 million peak in Q4 2025.

This quarter's inflows came primarily from institutional sources. Coinbase and Circle each staked 500,000 HYPE as a condition of the AQA v2 framework. Hyperliquid Strategies, a corporate treasury that converted its balance sheet to HYPE, is one of the largest HYPE holders outside the Foundation. Bitwise launched BHYP on NYSE on 15 May 2026, staking through its infrastructure division Bitwise Onchain Solutions. 21Shares launched THYP on Nasdaq on 12 May and Grayscale launched HYPG on 3 June, both staking onchain.



### Net public delegation flow (HYPE)



Source: Allium, Bitwise

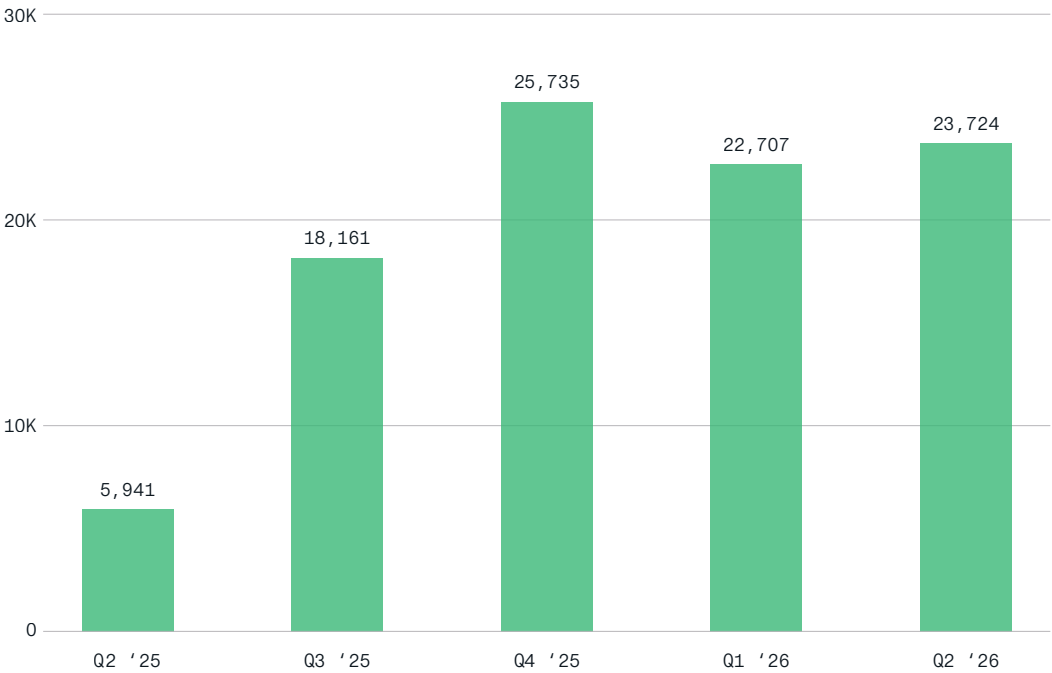
## Two execution environments: HyperCore and HyperEVM

Hyperliquid has two execution environments, HyperCore and HyperEVM, running on the same chain with the same validator set. They share a single state, so applications on HyperEVM can read prices and place orders directly on HyperCore without any bridging. Two mechanisms make this work. Read precompiles let HyperEVM contracts access live HyperCore data, such as oracle prices, positions, and balances. The CoreWriter system contract lets HyperEVM contracts send actions back to HyperCore, including placing or canceling orders, transfers, and staking.

HyperCore is the native order-book exchange, with a block time under 100 milliseconds, an average throughput of ~24,000 transactions per second, and a theoretical maximum of 200,000 transactions per second. The platform records billions of transactions and actions a day.



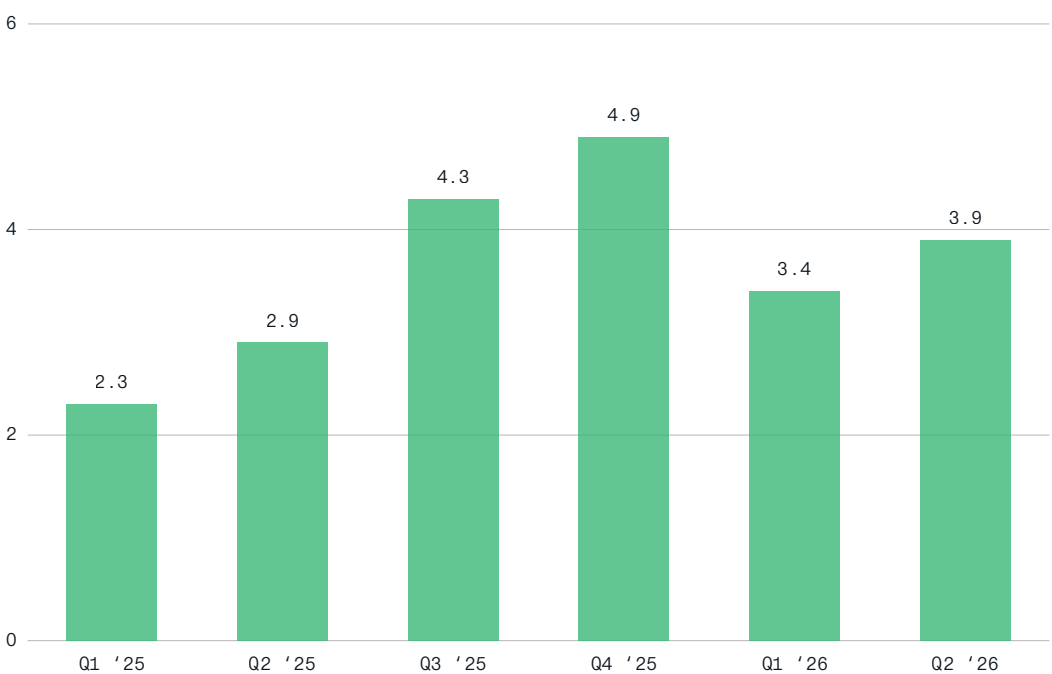
HyperCore average transactions per second



Source: Allium, Bitwise

HyperEVM is Hyperliquid's general-purpose, permissionless smart-contract environment, secured by the same consensus as HyperCore. The chain processes about four transactions per second at around 20% block fullness. The most-used applications by distinct users are stablecoin transfers, led by native Circle USDC, and a small number of decentralized exchanges and aggregators.

HyperEVM average transactions per second



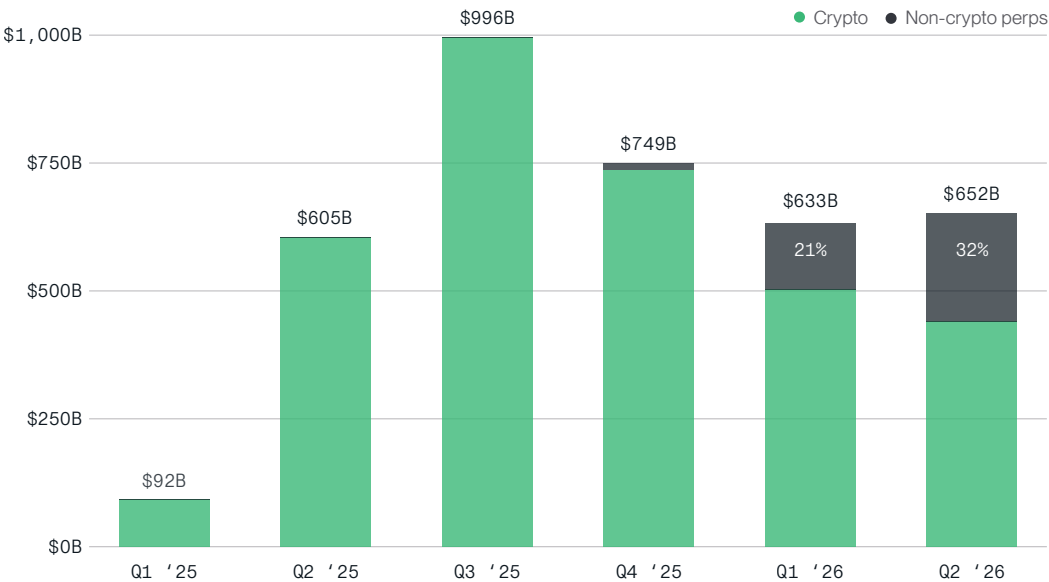
Source: Allium, Bitwise



# Perpetual volume and the rise of non-crypto assets

Perpetual volume on Hyperliquid reached \$652 billion in Q2 2026, in line with Q1's \$633 billion and still among the highest of any onchain venue. The more interesting story is in the composition. By Q4 2025, the first full quarter after HIP-3's launch, non-crypto markets had reached 2% of total volume. By Q2 2026 they accounted for \$212 billion, or 32% of the total.

Crypto vs non-crypto perp volume on Hyperliquid (USD)



Source: Allium, Bitwise

Top 10 perpetual markets on Hyperliquid by volume, Q2 2026

| #  | Market    | Category    | Volume (USD) | % of Perp Vol |
|----|-----------|-------------|--------------|---------------|
| 01 | BTC       | Crypto      | \$222.2B     | 34.0%         |
| 02 | ETH       | Crypto      | \$80.9B      | 12.4%         |
| 03 | HYPE      | Crypto      | \$50.8B      | 7.8%          |
| 04 | WTI Oil   | Commodities | \$45.3B      | 6.9%          |
| 05 | XYZ100    | Index       | \$26.6B      | 4.1%          |
| 06 | S&P 500   | Index       | \$25.8B      | 4.0%          |
| 07 | SOL       | Crypto      | \$22.1B      | 3.4%          |
| 08 | Brent Oil | Commodities | \$21.6B      | 3.3%          |
| 09 | ZEC       | Crypto      | \$17.0B      | 2.6%          |
| 10 | Silver    | Commodities | \$14.3B      | 2.2%          |

Source: Allium, Bitwise



In Q2, open interest also told an interesting story. Open interest is the total value of positions currently open on the platform. Unlike volume, which counts every trade regardless of how quickly it is reversed, open interest only grows when capital enters the market and stays. As such, it is a more reliable measure of real market activity. Average open interest reached \$8.7 billion in Q2 2026, up 32% from \$6.6 billion in Q1. This indicates that traders held their positions for longer in Q2.

Open interest by quarter (USD)

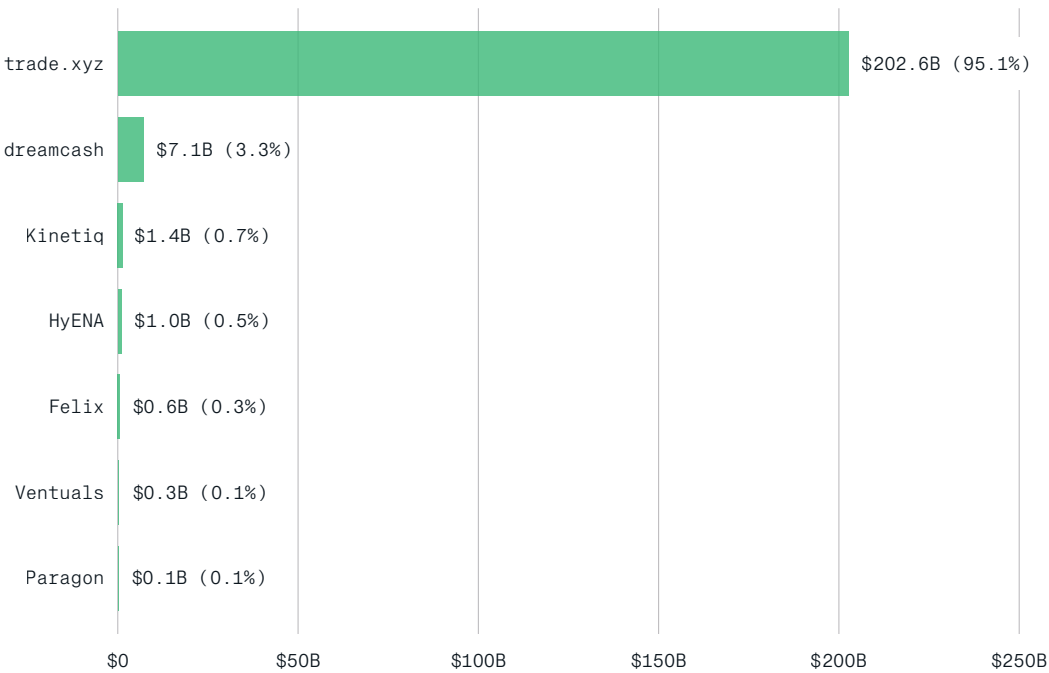


Source: Allium, Bitwise

Trade.xyz is the dominant team for HIP-3 markets, accounting for 95% of HIP-3 volume in Q2 2026. It was the first deployer to launch under HIP-3 and built its product around non-crypto perpetuals, starting with US equities and expanding into commodities and indices. On 18 March 2026, S&P Dow Jones Indices licensed the S&P 500 to Trade.xyz, making it the first and only officially licensed perpetual derivative contract based on the index on any decentralized platform. The product gives eligible non-US investors leveraged exposure to the S&P 500, available 24 hours a day, seven days a week, with S&P DJI providing the official index data feed. This is a meaningful distinction from the synthetic equity products that existed in DeFi before it, which relied on unofficial price feeds.



HIP-3 deployers by volume (USD)



Source: Allium, Bitwise

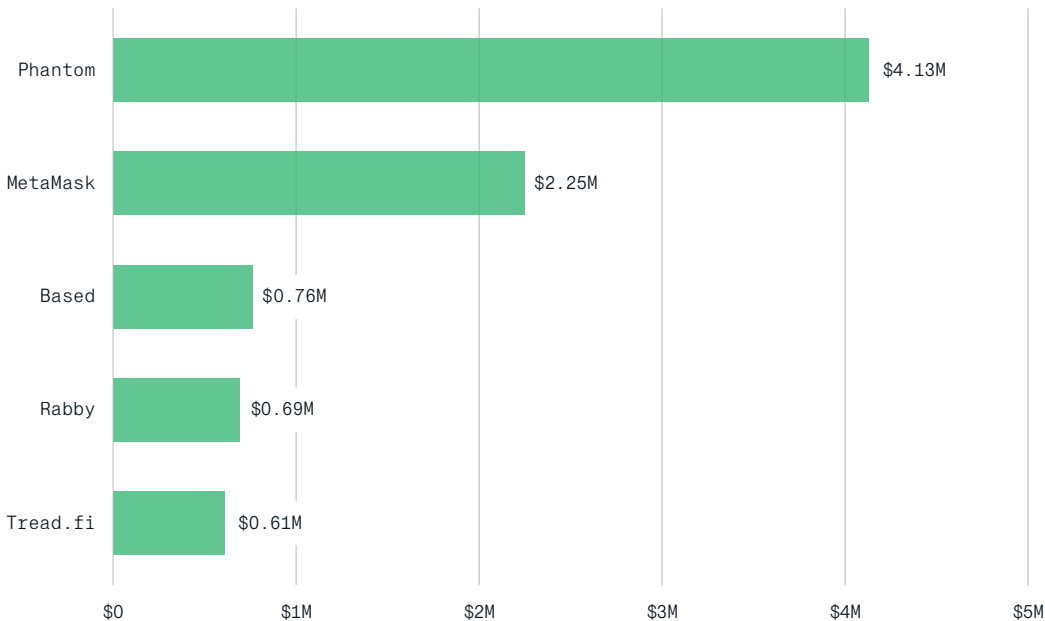
Three deployers wound down during the quarter. Felix was the first to announce, on 8 June, followed by Ventuals, which offered perpetuals on pre-IPO companies including OpenAI and Anthropic, and announced on 15 June that it was closing its markets. Dreamcash, a Tether-backed deployer running USDT-collateralized perpetuals, followed days later, citing Hyperliquid's native USDC integration as making its USDT-based model uncompetitive.

On the front-end side, builder codes show which apps are routing order flow to the exchange. They are fees charged on top of Hyperliquid's own trading fees, paid to the app rather than the protocol.

Phantom led in Q2 2026 with \$4.13 million in fees generated, nearly double MetaMask's \$2.25 million. The next tier, Based, Rabby, and Tread.fi, each generated \$0.61 to \$0.76 million. The dominance of general-purpose wallets over specialist trading terminals suggests Hyperliquid is reaching beyond its original user base.



Builder-code fees by app, Q2 2026 (USD)



Source: Allium, Bitwise

## Roadmap and outlook

Hyperliquid's value accrual depends primarily on trading fees, which account for the large majority of protocol revenue. Fees move with volume, and volume is cyclical, but two developments are beginning to change the composition of that revenue.

The first is a broadening of the markets traded. HIP-3 brought non-crypto markets (commodities, equities and indices) to 32% of volume within three quarters of launch. HIP-4 extends the model further to outcome and prediction markets; it reached roughly \$436 million in cumulative notional volume through Q2 2026 (about \$149 million in its first 30 days alone), though trading fees remain switched off during its testing phase, so it contributes no protocol revenue yet.

The second is AQA2, a revenue stream of a different character from trading fees. It redirects approximately 90% of the reserve yield on USDC held on Hyperliquid to the Assistance Fund, with the first payment due on 3 October 2026. With around \$5-6 billion of USDC on the platform and Coinbase as treasury deployer, the estimated annual contribution is \$135 to \$160 million. It depends on short-term interest rates and on USDC balances remaining on the platform, but unlike trading fees it does not move with crypto market cycles.



# AVALANCHE

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# Stake and delegation

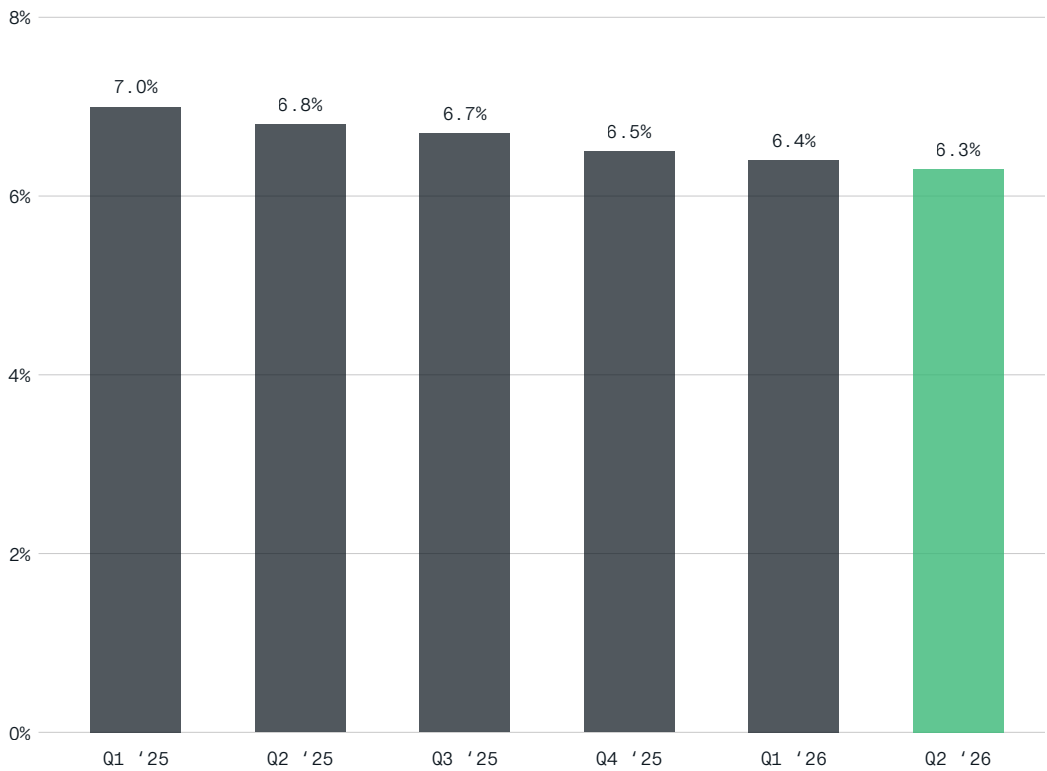
At the end of Q2 2026, Avalanche had 196 million AVAX staked across 591 validators, a staking ratio of 41.5%. On Avalanche, staking rewards are funded entirely by issuance rather than transaction fees. The protocol mints new AVAX according to a fixed schedule up to a permanent maximum supply of 720 million tokens, while all transaction fees are burned, partially offsetting that issuance.

The reward rate depends on two inputs: the gap between the current supply and the 720 million cap, and the duration of the stake. A longer lock-up earns a higher rate, up to a maximum consumption rate of 12% for a full one-year commitment.

**Reward rate = (720M – current supply) ÷ current supply × consumption rate**

With approximately 472 million AVAX in circulation as of June 2026, that gives:  
(720M – 472M) ÷ 472M × 12% ≈ 6.3%

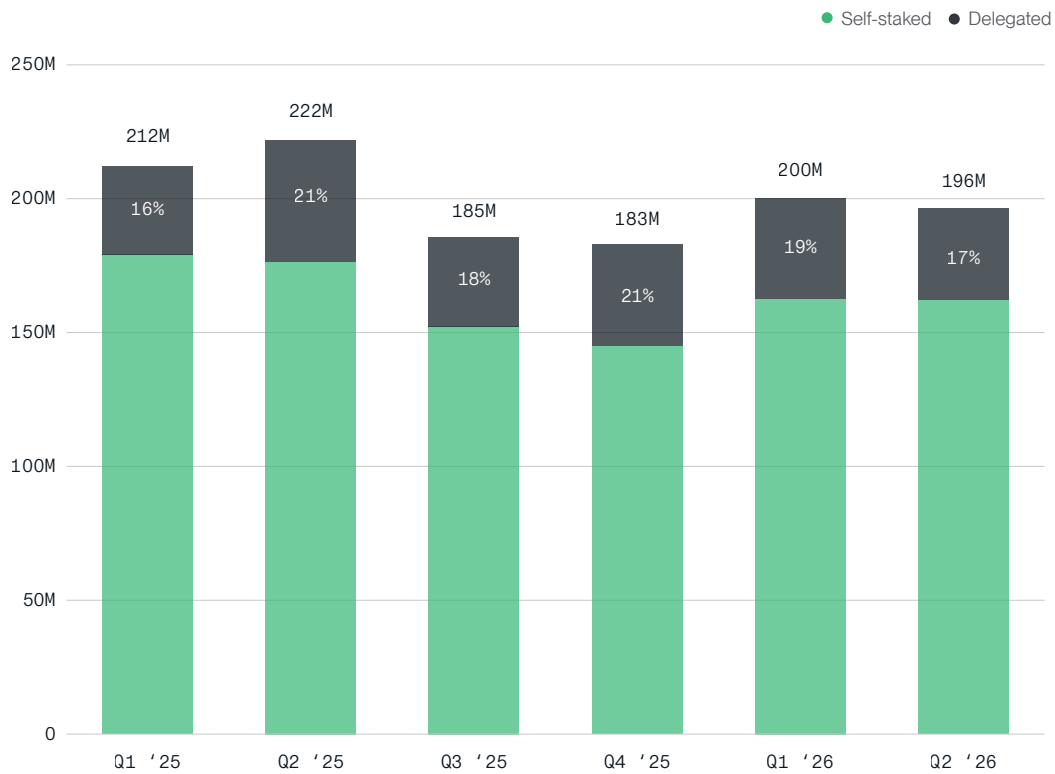
**Annualized staking yield, one-year maximum stake**



Source: Avalanche P-Chain, Bitwise



### Stake composition by quarter: self-staked vs delegate (AVAX)



Source: Avalanche P-Chain, Bitwise

## Onchain activity and network revenue

Network revenue on Avalanche covers all transaction fees across the C-Chain, P-Chain, and X-Chain, all of which are burned. The C-Chain accounts for around 97% of the total.

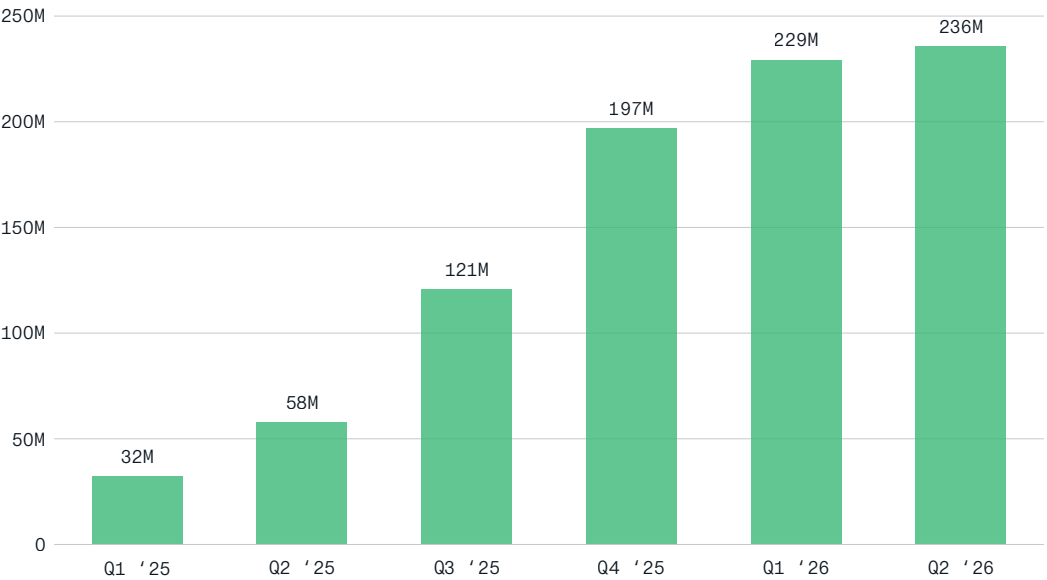
The revenue charts show a second stream alongside C-Chain fees: the L1 validator fee. Since Avalanche9000 removed the requirement to lock up 2,000 AVAX to launch a sovereign L1, each L1 validator instead pays a continuous fee of roughly 1.33 AVAX per month to the P-Chain, which is burned. This stream is small today, a few thousand AVAX per quarter against the C-Chain's tens of thousands, but it grows with every new L1 that launches. The X-Chain contributes a negligible amount.

The cost of transacting on Avalanche has fallen sharply over the past year, driven by three successive upgrades. Etna, in December 2024, was the most dramatic: It cut the minimum base fee on the C-Chain by 96%, from 25 nAVAX to 1 nAVAX per unit of gas. Octane, in April 2025, refined how fees respond to demand. Before Octane, a spike in activity could push fees sharply higher and they were slow to come back down. Octane smoothed that adjustment, bringing fees closer to actual usage levels and reducing average transaction fees by a further 43%. Granite, in November 2025, completed the picture by making block production speed responsive to demand, faster when the network is busy and slower when it is not, without affecting Avalanche's sub-second finality.



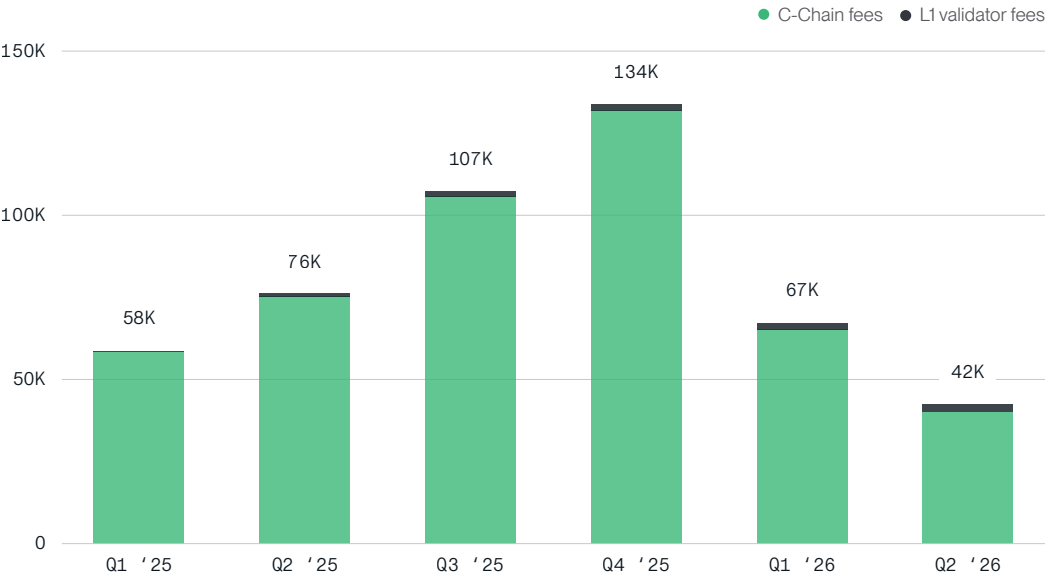
Each upgrade brought the per-transaction cost down, and activity increased in response. C-Chain transactions grew from 58 million in Q2 2025 to 236 million in Q2 2026, roughly four times over the year. Network revenue in AVAX increased from 58,000 AVAX in Q1 2025 to a peak of 134,000 AVAX in Q4 2025, before falling by roughly 70% through 2026 as softer demand and the smoother fee mechanism brought per-transaction fees down. In dollar terms the decline is larger, because AVAX's price fell from around \$26 in Q3 2025 to around \$8 in Q2 2026. In sum, network revenue fell not because the network was used less, but largely because blockspace became cheaper per unit.

C-Chain transactions by quarter (AVAX)



Source: Avalanche metrics API, Bitwise

Network revenue by quarter (AVAX)



Source: Allium, Bitwise



Network revenue by quarter (USD)



Source: Allium, Bitwise

C-Chain transactions and network revenue by quarter

|                                    | Q1 '25  | Q2 '25  | Q3 '25  | Q4 '25  | Q1 '26  | Q2 '26  |
|------------------------------------|---------|---------|---------|---------|---------|---------|
| C-Chain transactions               | 32.2M   | 58.0M   | 120.8M  | 196.9M  | 229.4M  | 235.6M  |
| C-Chain fees (AVAX)                | 58,332  | 75,261  | 105,719 | 132,016 | 65,243  | 40,050  |
| C-Chain fees (USD)                 | \$1.48M | \$1.55M | \$2.77M | \$2.57M | \$0.68M | \$0.33M |
| Average fee per transaction (AVAX) | 0.00181 | 0.00130 | 0.00088 | 0.00067 | 0.00028 | 0.00017 |

Source: Allium, Bitwise



## Avalanche L1s: why they matter

Thirty-three sovereign Layer 1 networks run on Avalanche mainnet today. A Layer 1 on Avalanche is an application-specific blockchain with its own validator set. The advantages of having a Layer 1 are:

- |    |                              |                                                                                                                                                     |
|----|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| 01 | <b>Validator set</b>         | It can either be permissionless or permissioned.                                                                                                    |
| 02 | <b>Gas token</b>             | Fees can be paid in the project's own token rather than AVAX.                                                                                       |
| 03 | <b>Compliance rules</b>      | Validators can be required to pass identity checks, operate in a specific jurisdiction, or hold a regulatory licence.                               |
| 04 | <b>Dedicated block space</b> | Each network has its own block space and does not compete with other chains for throughput, while remaining connected through Interchain Messaging. |

AvaCloud is Ava Labs' managed platform for deploying Avalanche L1s. Rather than building and operating validator infrastructure, RPC nodes, indexers, and block explorers themselves, teams configure their chain through a web console and AvaCloud handles the rest.

### Some examples of Avalanche L1s

#### *FIFA World Cup 2026*

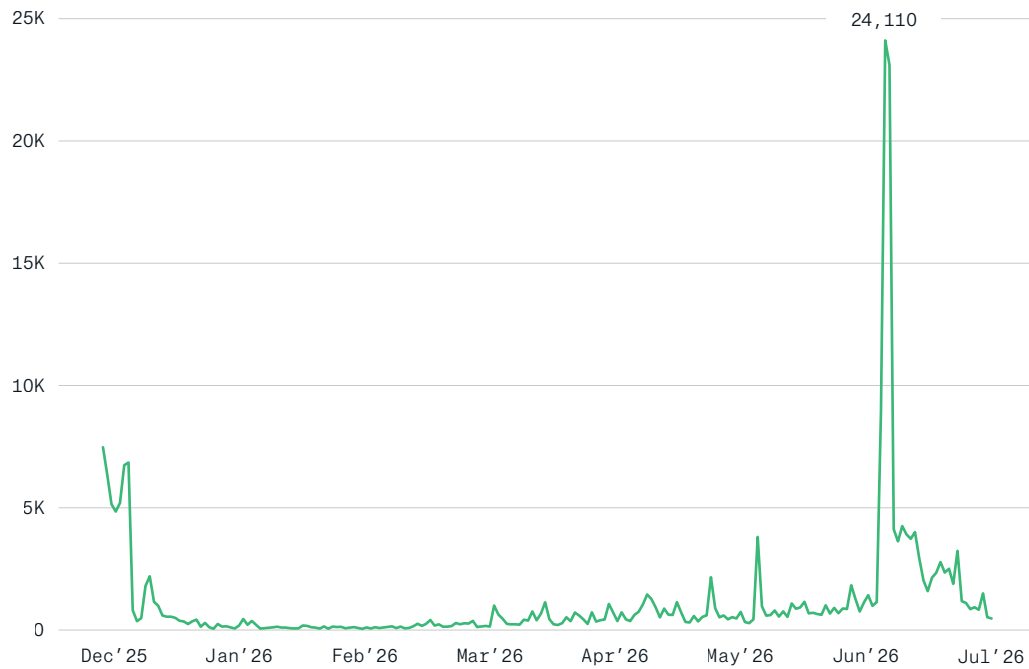
FIFA built a dedicated Avalanche Layer 1 with Modex to bring the secondary ticket market inside its own ecosystem, removing the need for third-party resale platforms like StubHub.

Fans first acquire a Right-to-Buy token, granting priority access to purchase a specific match ticket before general sale. That token can be traded on FIFA's own marketplace, with FIFA charging fees on each side. When ready to buy, the fan redeems the Right-to-Buy for a Right-to-Ticket, which unlocks the purchase through FIFA's standard ticketing system. Every token is verifiable and traceable onchain, removing fraud at the source. Users interact through FIFA's standard platform and do not need to know they are using blockchain.

Over 100,000 Right-to-Buy tokens have been issued, and combined volume has exceeded \$25 million. In the days before the tournament opened, FIFA ticketing activity generated over 60,000 transactions on Avalanche, spiking daily activity to a peak of 24,110 transactions, many times its normal level.



### FIFA chain daily transactions



Source: Allium, Bitwise

### *Progmatt*

This is Japan's largest tokenized securities platform, founded by MUFG and jointly owned by major Japanese banks, exchanges, and technology firms. It holds a 63% share of Japan's cumulative security token issuance, covering real estate, corporate bonds, and other institutional assets. The main benefits of the platform are operational: Settlement happens in real time rather than over multiple days, assets can be traded around the clock, and ownership is verified automatically without manual reconciliation between intermediaries.

Progmatt has run on Corda, a private ledger used by financial institutions but closed to outside participants. In February 2026 it announced a migration to a dedicated Avalanche Layer 1, making Progmatt's tokens EVM-compatible, meaning they can interact with the broader public blockchain ecosystem. It also gives Progmatt a compliant, permissioned environment with its own validator set, which is necessary for regulated securities issuance. The migration covers more than \$2 billion of tokenized assets and is still in progress.



## Roadmap and outlook

Four developments define Avalanche's near-term trajectory: one already in effect, two in the proposal pipeline, and one in active development with no confirmed date.

- |       |                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 01    | <b>ACP-267</b><br><b>Validator uptime</b><br><b>Effective 1 April 2026</b>   | Raised the minimum uptime requirement for validators from 80% to 90% for all staking periods beginning on or after that date. Validators that fall below the threshold receive no rewards for that period. The change takes effect progressively as existing staking periods expire and validators re-bond.                                                                                     |
| <hr/> |                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                 |
| 02    | <b>ACP-236</b><br><b>Continuous staking</b><br><b>Upcoming</b>               | Currently, stakers must set an end date when they commit their stake. When that period expires, they must manually initiate a new staking transaction to re-bond. ACP-236 removes that requirement. Stake renews automatically at the end of each cycle.                                                                                                                                        |
| <hr/> |                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                 |
| 03    | <b>ACP-194</b><br><b>Streaming asynchronous execution</b><br><b>Upcoming</b> | Currently, a block must be fully executed before it is accepted by consensus. ACP-194 decouples the two, running consensus and execution in parallel. Blocks are accepted once the network agrees they are valid, with execution completing separately. The effect is higher throughput and lower latency under heavy load, without changing how validators or users interact with the network. |
| <hr/> |                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                 |
| 04    | <b>FIREWOOD</b><br><b>Upcoming</b>                                           | A new state database built in Rust by Ava Labs that stores and retrieves blockchain state more efficiently than the current approach. No confirmed mainnet date has been announced. It is primarily relevant for high-throughput Layer 1 networks, where state access is a bottleneck.                                                                                                          |

Following the fee reductions of the past year, C-Chain burn is now small relative to issuance. The more significant driver going forward is Layer 1 proliferation. Each sovereign Layer 1 pays approximately 1.33 AVAX per validator per month to the P-Chain, which is burned. As more networks launch, that fee flow grows. Realized yield sits near 5.7% and declines gradually as the circulating supply approaches the 720 million cap. The upside case rests on Layer 1 fee volume growing large enough to meaningfully offset that decline.

# NEAR



|                                |    |
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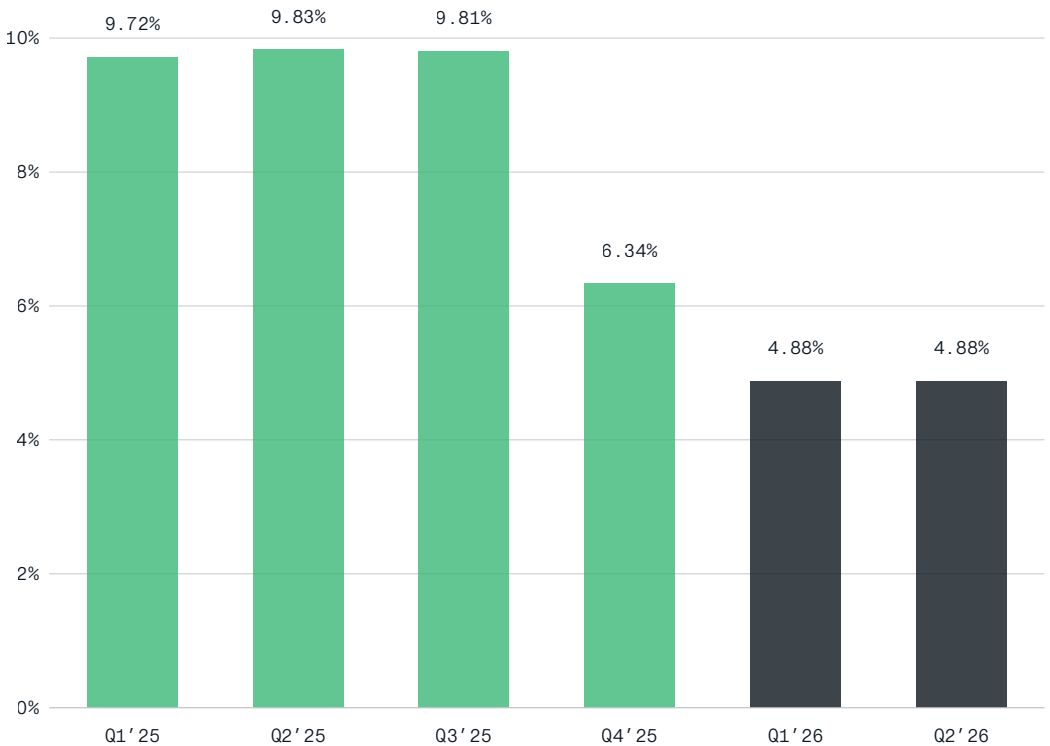


# Staking yield and stake

NEAR staking rewards are funded by protocol issuance. In Q4 2025, NEAR reduced its target inflation rate from 5% to 2.5%. Of this, 10% is allocated to the protocol treasury operated by the NEAR Foundation, while the remaining 90% is distributed to validators and delegators. The 2.5% rate remains fixed unless changed through another protocol upgrade.

With roughly 588M NEAR staked out of a total supply of about 1.3B, the staking ratio is around 45%. Since staking rewards are distributed only to staked NEAR, this results in a current gross staking yield of approximately 4.9% APY.

NEAR gross staking APY



Source: Allium, Bitwise

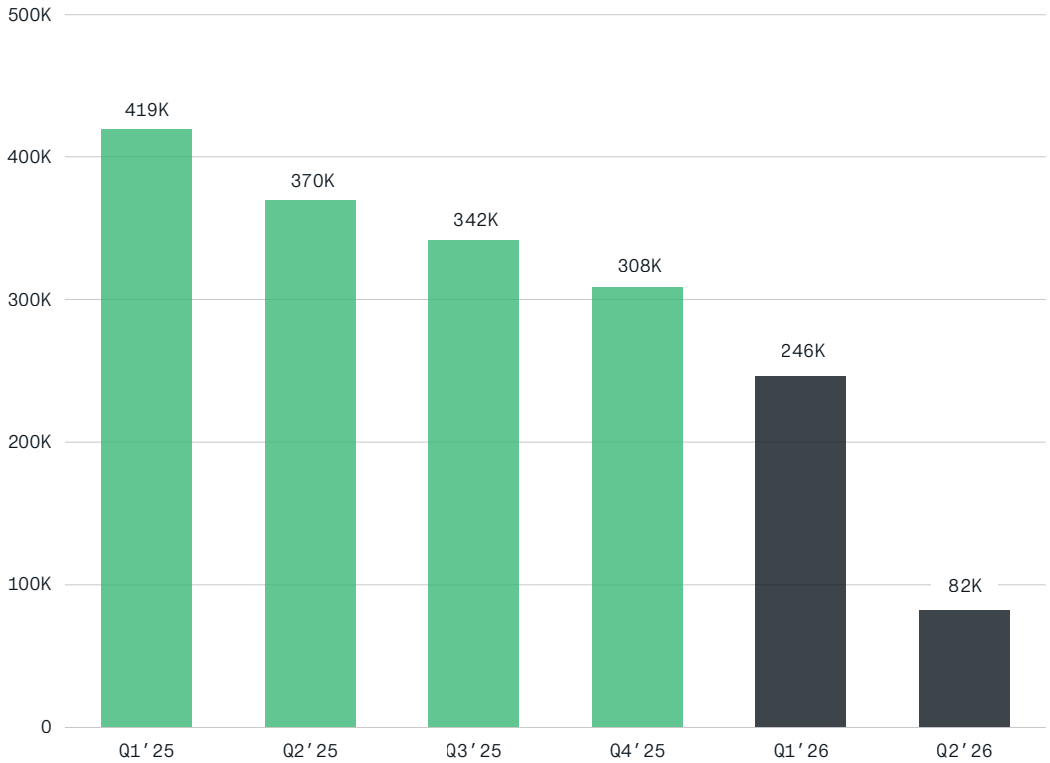
The reduction in issuance did not produce a decline in staking participation. Since the change, the staking rate has remained steady at around 45%, showing that the lower nominal yield has not changed staking behavior.



# Network activity

The important point for validators and delegators is that NEAR staking rewards are not driven by transaction fees. Users pay transaction fees in NEAR, with the fee determined by gas consumed and the network gas price. For smart-contract execution, around 30% of the execution fee is paid to the contract account as a developer rebate, while the remaining 70% is burned. Higher activity can therefore increase fee burn and contract revenue, but it does not directly increase validator or delegator rewards.

## NEAR total gas used



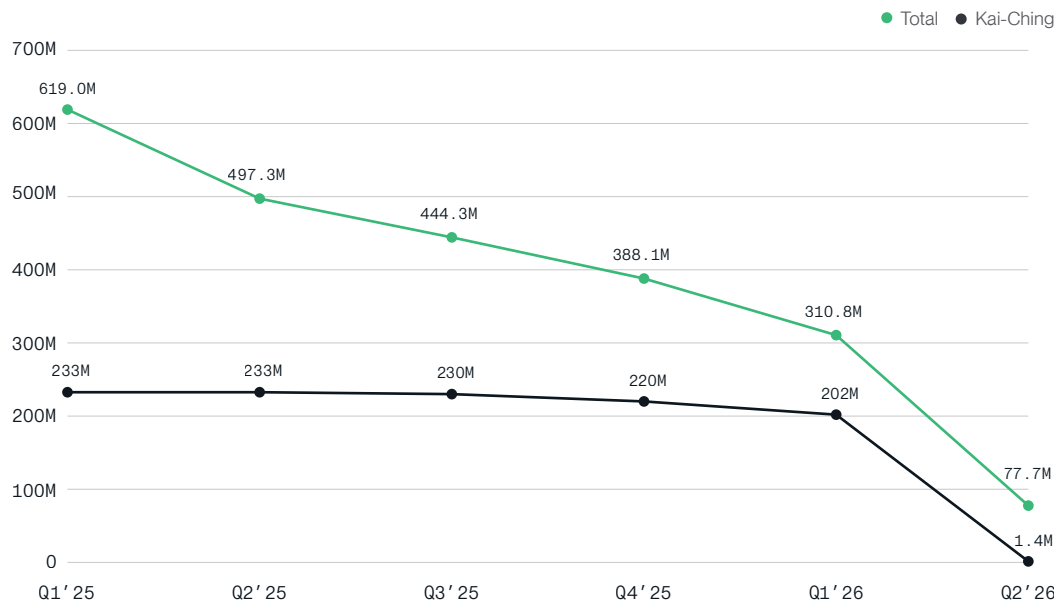
Source: NEAR, Dune, Bitwise

Total gas used declined from 419k in Q1 2025 to 308k in Q4 2025. The decline accelerated in 2026, with gas usage falling to 246k in Q1 and an estimated 82k in Q2. This represents an 81% decline from Q1 2025.

The main reason for the Q2 decline was the collapse of Kai-Ching activity. Kai-Ching was the rewards and payments layer behind KaiKai, a Singapore-based shopping and loyalty app developed by Cosmose AI. Until March 2026, Kai-Ching was one of the largest sources of activity on NEAR, often accounting for around half of the total gas used.

The exact commercial reason for the activity's collapse is not clearly disclosed in public sources. Public materials show that KaiKai/Kai-Ching was built around rewards, cashback, payments, and app-based user engagement, with transaction costs abstracted away from end users.

### NEAR transaction count

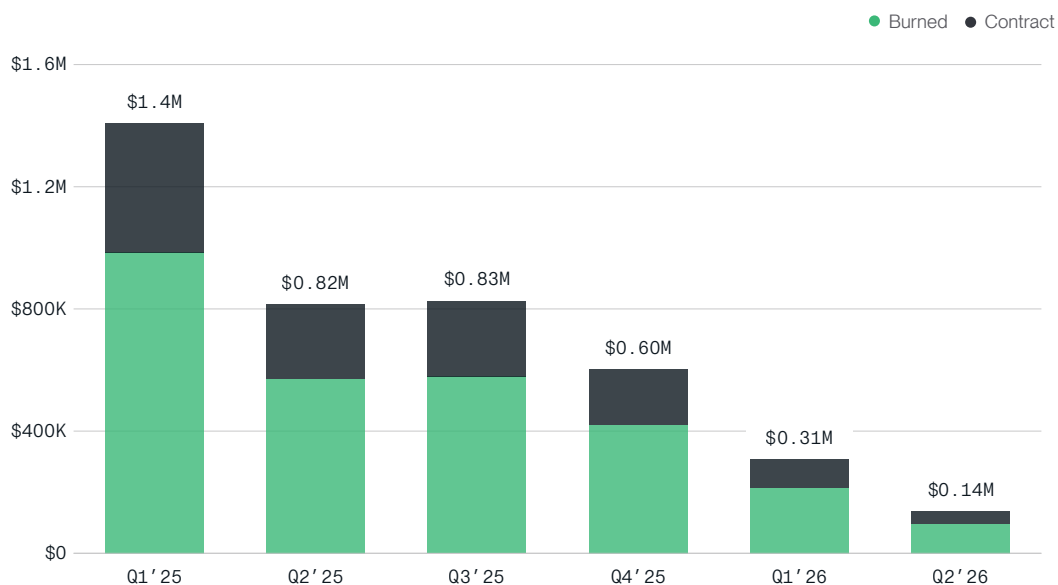


Source: Allium, Bitwise

The same pattern is visible in transaction count. Total transactions declined from 619M in Q1 2025 to 310.8M in Q1 2026. In Q2 2026, transactions fell to 77.7M, down 75% quarter-over-quarter. Kai-Ching transactions fell from around 202M in Q1 2026 to only 1.4M in Q2 2026, explaining most of the decline.

Because NEAR fees are a function of gas consumed, chain revenue declined together with activity. Gross fee revenue fell from roughly \$1.4M in Q1 2025 to \$306k in Q1 2026 and \$137k in Q2 2026. Lower gas usage remained the main driver of the Q2 fee decline, although the rebound in NEAR's token price from roughly \$1 to \$2.8 partially softened the impact in USD terms.

### NEAR fee revenue (USD)



Source: Allium, Bitwise



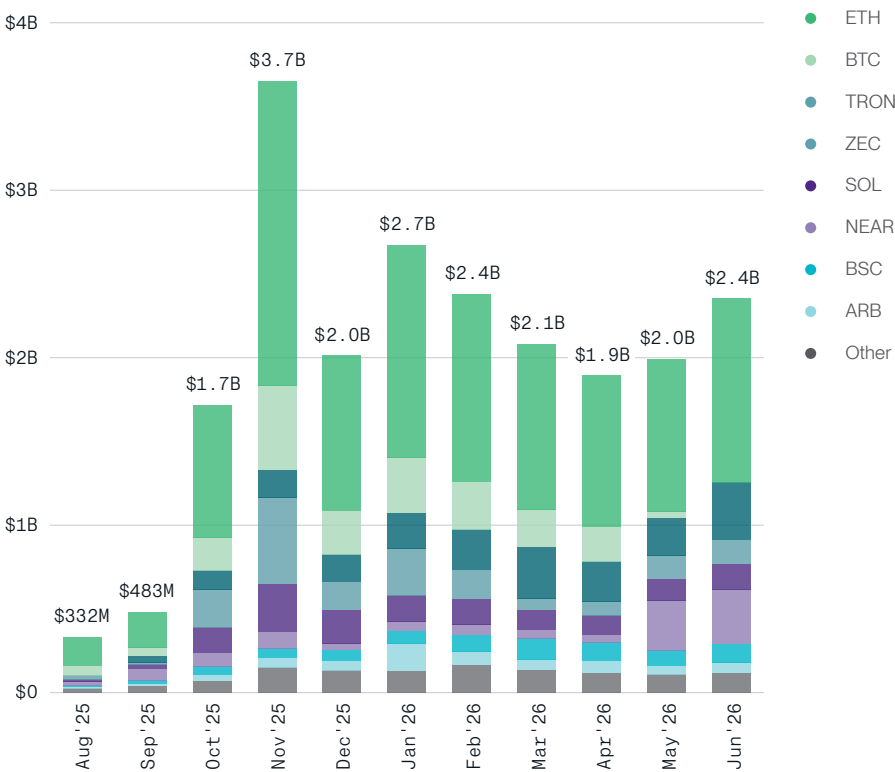
# Key developments and evolution

NEAR’s near-term outlook is tied to three areas: Intents, confidential execution, and AI-agent infrastructure. These are separate from base chain activity, but they are becoming more important to NEAR’s product and value capture.

## Intents

NEAR Intents have become NEAR’s crucial new growth area. Intents are an execution layer where users specify a desired outcome, such as swapping or bridging an asset, and specialized entities called solvers compete to execute that intent by offering the best price.

NEAR Intents volume by chain

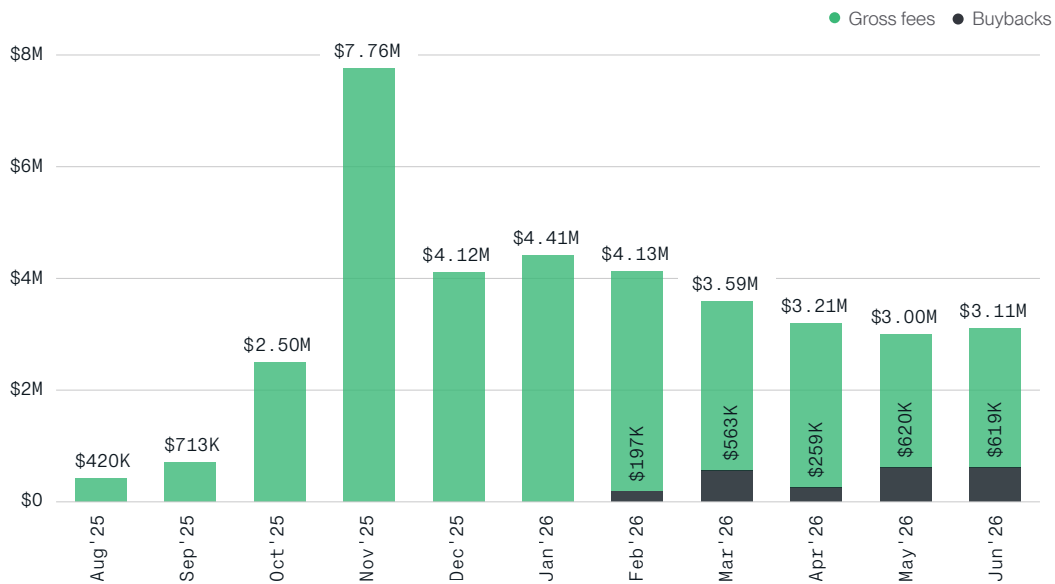


Source: NEAR, Dune

NEAR Intents volume grew quickly after launch, rising from \$332 million in August 2025 to a peak of \$3.7 billion in November. After that explosion, monthly volume stabilized between \$1.9 billion and \$2.7 billion through the first half of 2026.

Ethereum was the largest source of volume. June 2026 shows a rebound to \$2.4 billion and a more diversified chain mix, with meaningful contributions from Zcash, NEAR, TRON, Solana, and Binance Smart Chain.

### NEAR Intents fees earned (USD)

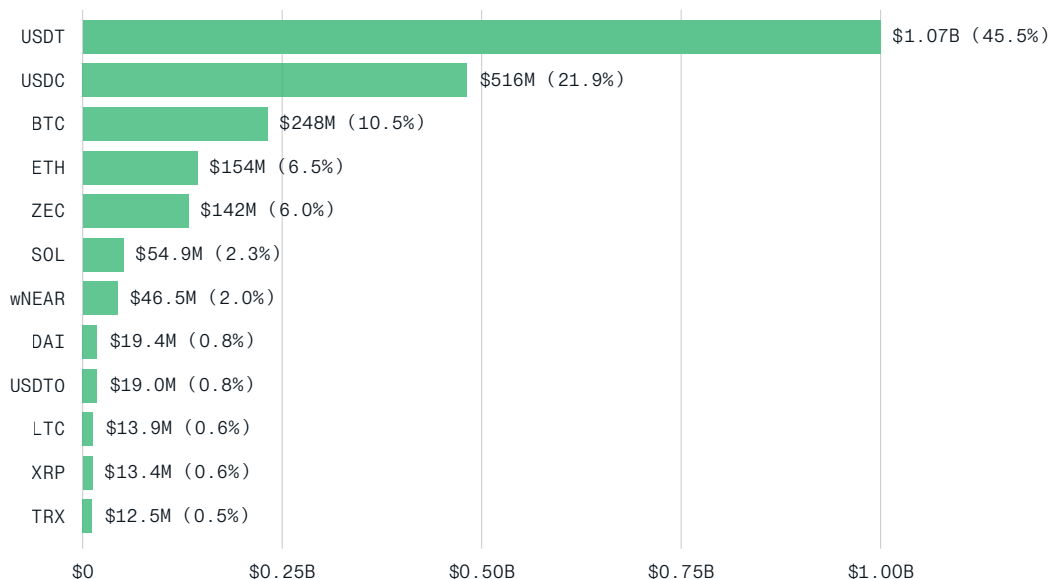


Source: NEAR, DefiLlama

Fees generally followed volume, but not perfectly. The clearest divergence came in December 2025, when volume fell from \$3.65 billion to \$2.01 billion, while fees remained elevated at \$4.12 million. A smaller divergence appeared in June 2026: Volume increased to \$2.35 billion, while fees were broadly stable at \$3.11 million, still below the levels seen earlier in the year. The difference is mainly an effect of route and fee-mechanism mix: Different Intents routes can expose different fee components, so aggregate fees do not scale one-for-one with traded volume.

NEAR introduced a buyback mechanism for NEAR Intents in February 2026, directing protocol-retained Intents revenue, net of partner and integration payouts, toward purchases of NEAR. From the launch of the mechanism through June 2026, Intents generated approximately \$2.26 million of buyback revenue.

### NEAR Intents volume by asset (USD)



Source: NEAR; data covers 23 May to 22 June 2026.

Intents volume is concentrated in stablecoins. USDT accounted for \$1.07B, or 45.5% of total volume, while USDC accounted for \$516M, or 21.9%. Together, the two largest stablecoins represented more than 67% of activity. BTC, ETH, and ZEC were the next largest assets, followed by a smaller long tail including wNEAR and SOL.

Due to the rapid growth of Intents, the contrast between this product and base-chain in REV is now large. In Q2 2026, Intents' gross fees were \$9.3M, compared with \$137k of NEAR chain gross fees. On this measure, Intents generated roughly 68x more user-paid fees than the base chain.

## Confidential execution

Privacy has become one of the main pillars of NEAR's current roadmap. Confidential Intents (CIs) add a privacy layer to Intents. CIs keep the same model as normal Intents, but route execution through a restricted environment, in which details such as the asset, amount, route, or counterparty are not fully exposed to the public before settlement.

The caveat is that this is not full cryptographic privacy. The current design relies on a private NEAR shard, permissioned validators, and TEE-based infrastructure, so the more correct framing is confidential execution rather than full privacy.

### NEAR Intents TVL: total vs confidential



Source: NEAR; data covers 23 May to 22 June 2026.

Total NEAR Intents TVL rose to \$78.7 million by the end of June. Confidential Intents reached \$28.5 million by the end of the period, which is approximately 36% of Intents TVL. Private execution is therefore becoming a meaningful component of the Intents stack, and suggests that the privacy thesis is beginning to translate into onchain adoption.

## AI infrastructure

At NEARCON 2026, NEAR AI launched IronClaw, a secure runtime for autonomous agents. It is an open-source Rust implementation inspired by OpenClaw, designed around privacy, tool isolation, and credential protection.

The main feature is sandboxed execution. IronClaw runs untrusted tools inside isolated containers, limiting what agent tools can access and reducing the blast radius if a tool behaves unexpectedly or is manipulated. IronClaw is also designed so that credentials are not exposed to the LLM.

Another component is infrastructure integration. NEAR AI positions IronClaw as part of a broader confidential-compute stack that includes NEAR AI Cloud, encrypted enclaves, private inference, and the Confidential GPU Marketplace. In that setup, IronClaw provides the agent runtime, the Marketplace provides private compute, and Intents provides the transaction and settlement layer.

The AI product roadmap is still early. While the public IronClaw repository remains active, there is limited public evidence of adoption at this moment.

**TEMPO**

# TEMPO

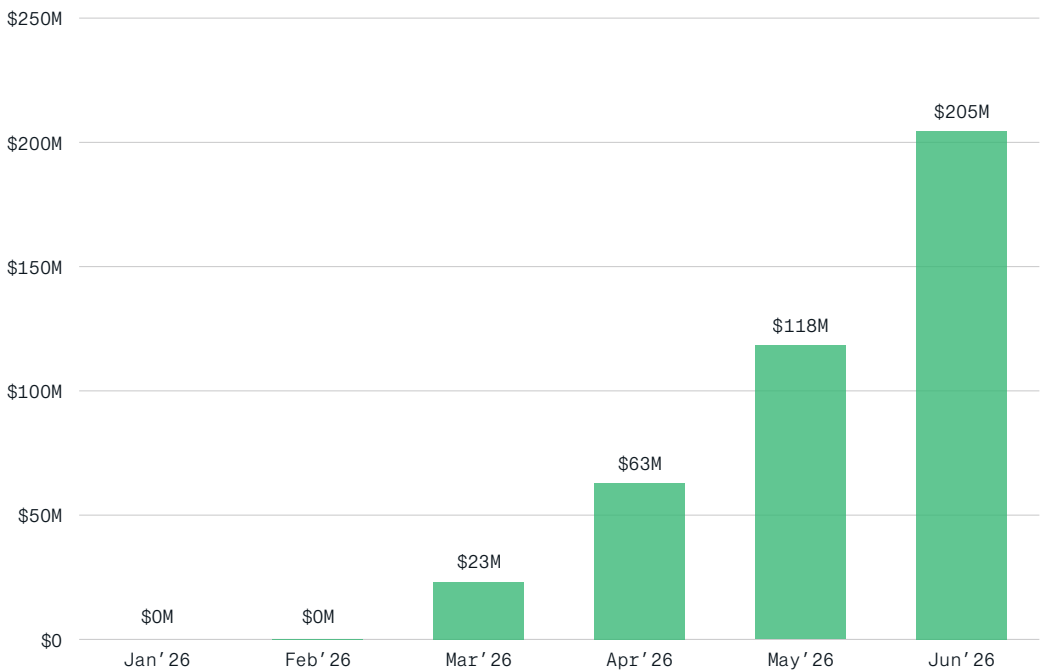
|                                           |    |
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Tempo is an EVM-compatible Layer 1 incubated by Stripe and Paradigm, built for one purpose: fast, low-cost stablecoin payments. Transaction fees are paid directly in stablecoins, with the protocol converting them into the validator's preferred token automatically. The chain launched on mainnet on 18 March 2026.

## Volume, run rate and fees

Tempo processed approximately \$386 million in stablecoin transfer volume in Q2 2026 (excluding minting, treasury, and fee-system addresses). Volume grew from \$23 million in March, the first partial month on mainnet, to \$63 million in April, \$118 million in May, and \$205 million in June. At June's pace the network is on track for roughly \$2.5 billion in stablecoin payment volume a year.

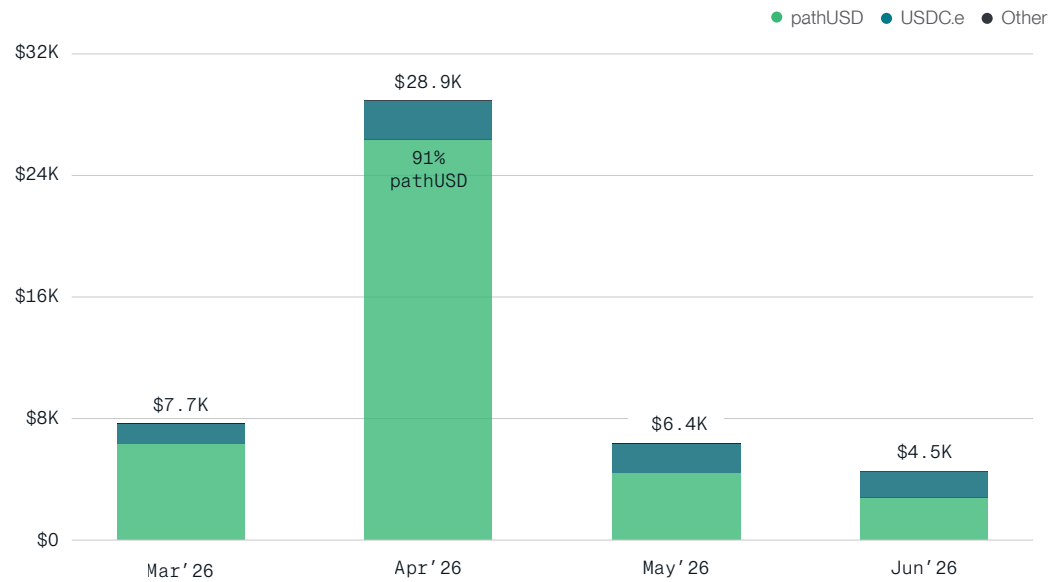
Monthly transfer volume (USD)



Source: Allium, Bitwise

Transaction fees on Tempo are intentionally low. Total fees in Q2 2026 were approximately \$39,800, at a median of \$0.0012 per transaction, paid almost entirely in pathUSD and USDC.e. April stood out, accounting for \$28,900 of that total. The gas price was flat throughout the quarter at around 20 to 21 gwei, so the difference was not a price change but a change in transaction type. April saw a concentration of compute-heavy activity: cross-chain bridging, NFT marketplace transactions, token approvals, and new contract deployments. These consume around 276,000 gas units compared to 52,000 for a standard stablecoin transfer, which at an unchanged gas price translates directly into higher fees. As the chain returned to lightweight stablecoin transfers in May and June, the median fee fell back to around \$0.001.

Network fees generated by month



Source: Allium, Bitwise

Stablecoins: TVL, volume and market share

Stablecoin TVL ended Q2 at approximately \$40.2 million, up roughly seven times from \$6 million at the start of the quarter. The gap between TVL and transfer volume reflects the nature of a payments chain: The same stablecoins change hands many times rather than sitting idle onchain. Three tokens account for most of the balances: pathUSD at \$13.8 million, USDC.e at \$9.3 million, and USDT0 at \$8.9 million.

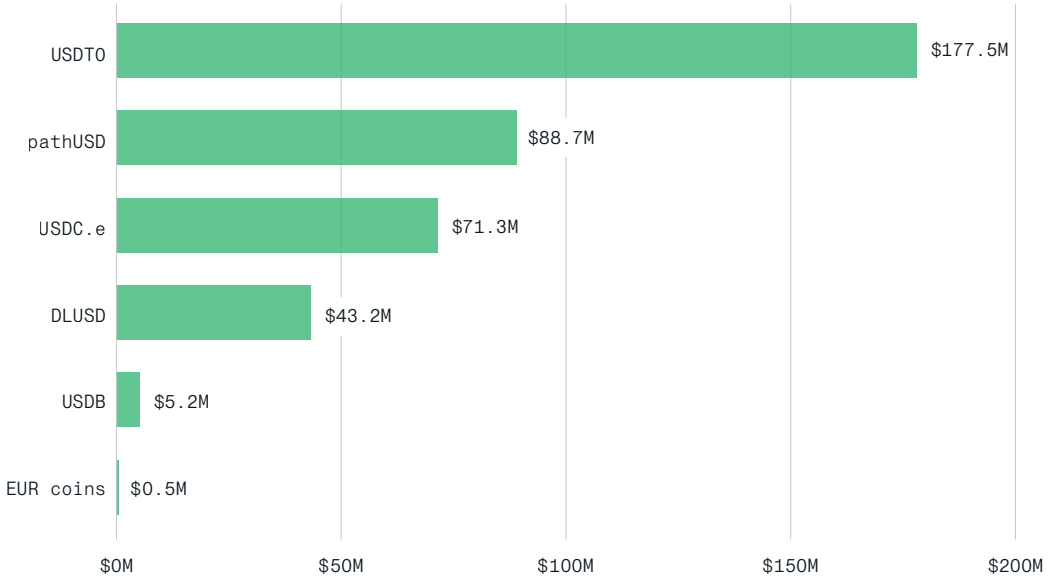
Stablecoin TVL on Tempo (USD)

| Token   | Start of Q2 | End of Q2 |
|---------|-------------|-----------|
| pathUSD | \$3.9M      | \$13.8M   |
| USDC.e  | \$2.1M      | \$9.3M    |
| USDT0   | \$0.3M      | \$8.9M    |
| USDB    | \$0.0M      | \$5.5M    |
| DLUSD   | \$0.0M      | \$2.5M    |
| EURAU   | \$0.0M      | \$0.2M    |
| Total   | \$6.3M      | \$40.2M   |

Source: Allium, Bitwise

Two of Tempo's largest stablecoins, USDT0 and USDC.e, arrive via cross-chain bridges rather than being issued natively on the network. USDT0 uses LayerZero's burn-and-mint standard: USDT is locked on Ethereum and USDT0 is minted on Tempo when funds arrive, then burned when they leave. USDC.e arrives through Stargate, a pool-based bridge also built on LayerZero. Because both tokens come via bridges, most of their transfer volume passes through a small set of bridge contracts and routers rather than moving directly between end users.

Stablecoin transfer volume, Q2 2026



Source: Allium, Bitwise

The difference between the tokens was how broadly they were used. USDC.e was moved by around 146,000 distinct senders across 2.3 million transfers, with identifiable payers such as Deel among its largest flows. USDT0 was moved by only around 2,100 senders across 90,000 transfers. Its largest senders were automated: a LayerZero bridge and routing contracts.

pathUSD is different. Issued by Stripe's Bridge and minted directly on Tempo, it recorded 0.8 million transfers across around 49,000 senders, with no bridge intermediation.

On that basis, pathUSD and USDC.e reflect genuine multi-user payment activity, whereas USDT0's volume is mostly bridge and operator flow. This flow is still counted because it runs through bridge and routing contracts rather than system addresses.

# Deel: stablecoin payroll on Tempo

The clearest confirmed enterprise use case on the network is Deel, the global payroll platform. Its payout wallet distributed approximately \$30 million to around 7,200 contractors in Q2 2026: \$20.0 million in USDC.e across 6,561 recipients, \$8.7 million in its own DLUSD stablecoin to 677 recipients, and around \$1.1 million in USDB to two treasury addresses. Global contractor payouts settling in stablecoins at near-zero fees is precisely the use case Tempo was built for.

## Deel contractor payouts by stablecoin, Q2 2026

| Token  | Amount   | Recipients |
|--------|----------|------------|
| USDC.e | \$20.0M  | 6,561      |
| DLUSD  | \$8.7M   | 677        |
| USDB   | \$1.1M   | 2          |
| Total  | ~\$30.0M | ~7,200     |

Source: Allium, Bitwise

# Outlook

Tempo is built for one purpose: fast, low-cost stablecoin settlement. In its first 100 days on mainnet, the network reached a run rate of around \$2.5+ billion in annualized transfer volume, with confirmed enterprise usage from Deel and pathUSD as the leading natively issued stablecoin on the network.

## Risks and Important Information

Participating in blockchain networks through staking involves risks beyond those associated with holding crypto assets. These risks include technological risks such as, but not limited to, validator downtime, slashing penalties, protocol or network failures, smart contract vulnerabilities, and other technical or operational errors, any of which may result in reduced rewards or loss of assets.

Staking rewards are not guaranteed and may vary based on network conditions, validator performance, and protocol design. Staked assets may be subject to lock-up periods, unbonding periods, or withdrawal delays during which assets are not accessible or transferable. Participation in staking may involve reliance on third-party infrastructure, protocols, or network participants, including validators, relayers, or middleware, which may introduce additional risks.

Crypto asset trading requires knowledge of crypto asset markets. In attempting to profit through crypto asset trading, you must compete with traders worldwide. You should have appropriate knowledge and experience before engaging in substantial crypto asset trading. Crypto asset trading can lead to large and immediate financial losses. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price.

Prior to making any decision regarding participation in staking, each participant must undertake its own independent examination and investigation, including the merits and risks involved, and must base its decision on such examination and investigation. Participants must not rely on Bitwise in making such decisions. Nothing herein constitutes investment, legal, tax or accounting advice, nor a recommendation to participate in any staking activity. Clients retain full discretion over all decisions relating to digital assets and staking participation.

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