Will the sharp decline of Azuki bring about an NFT bear market?
By Gracy Chen, Managing Director of Bitget

1) With the recent FUD event surrounding Azuki, the floor price has dropped from a peak of 16.5 ETH to 5.5 ETH, a decline of 67%. The FUD event originated from Azuki's new series, NFT Elementals, being accused by the community of team mismanagement and holding 20,000 ETH without any progress over the past year. Currently, Azukidao, composed of community whales and members, has voted to file a lawsuit against Zagabond, the founder of Azuki, and propose the refund of the 20,000 ETH.
(Data source: https://pro.opensea.io/collection/azuki?showSuspicious=false)

2) Liquidation in NFT lending platforms increasing: Currently, Azuki leads the decline among NFT blue-chip projects, and the floor price of another top project, Bored Ape Yacht Club

(BAYC), has also fallen below 30 ETH with a 23% decline in the past 7 days. Mutant Ape Yacht Club (MAYC) has experienced a 30% decline in the floor price over the past 7 days. As a result, several NFT lending protocols have seen significant decreases in Total Value Locked (TVL) within a day, with Paraspace TVL dropping by 11% in the past 24 hours, BendDAO TVL down by 53%, and Blur lending TVL down by 26.7%.
(Data source: https://defillama.com/protocols/NFT%20Lending)

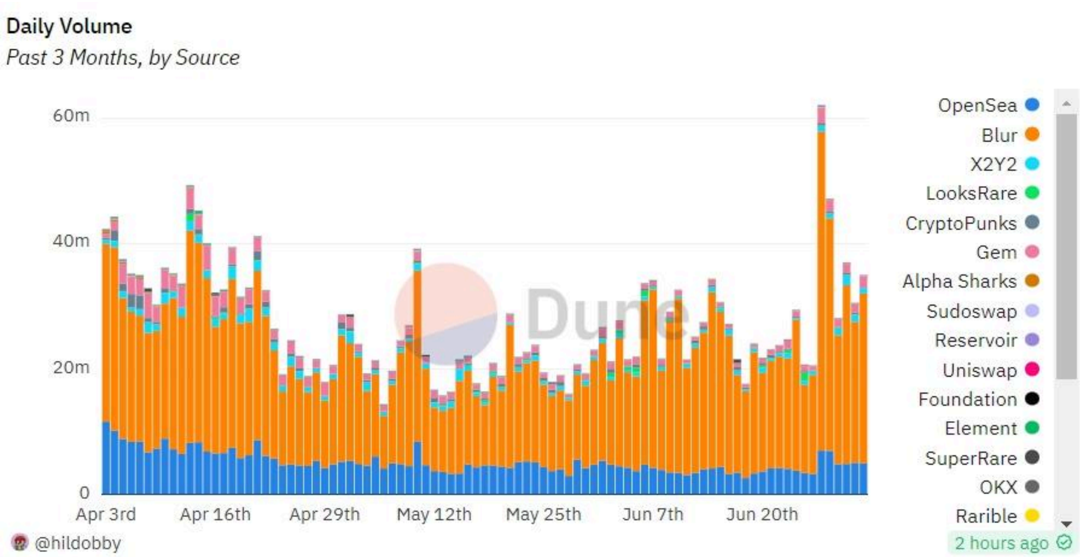
NFT Lending TVL Rankings .csv

All | Ethereum | Arbitrum | Polygon | Optimism | Avalanche | Solana | Kava | Fantom | Cardano

Search protocols...

Name	1d Change	7d Change	1m Change
1 ParaSpace Lending (2 chains)	-11.15%	-25.42%	-35.15%
2 BendDAO Lending (1 chain)	-53.08%	-63.31%	-67.75%
3 JPEG'd (1 chain)	-0.40%	-6.13%	-15.89%
4 NFTfi (1 chain)	-0.72%	-15.60%	-23.44%
5 Blur Lending (1 chain)	-26.72%	-47.41%	-46.98%

3) Volume and price decline: NFT platforms have experienced an increase in trading volume in recent days, while the prices of blue-chip NFTs have declined. Market panic is evident, with increased trading activity. There may be a significant turnover at the bottom of the market.
(Data source: https://dune.com/hildobby/NFTs)



4) The NFT market is at a crossroads: The NFT market is undergoing a major adjustment, but a decline does not necessarily indicate the decline of the entire industry. As NFT derivatives, including lending, indexes, perpetual contracts, and other products, are gaining traction, price fluctuations become more pronounced in the short term. After the FUD subsides, there are often more opportunities. Therefore, for NFT projects like Blur that have technological innovation and overall growth in product data, there may be a brief rebound after this sharp decline in the NFT market. Users interested in short-term trading can pay attention to this opportunity.