**SUI**

**Infrastructure**

Freedom CAPITAL

| Token Price | $4.19 |
|---|---|
| Market Cap (FDV) | $41.88B |
| Avg Daily Trading Volume | $853.2M(6.96%) |
| Markets | **Binance** <br> **ByBit** <br> **Coinbase** <br> **OKX** <br> **Bitget** <br> **Kraken** <br> **Kucoin** |

Last Updated: 29-12-2024

**Potential SUI returns in this cycle**

| Coin | Current Market Cap | Market Cap ATH |
|---|---|---|
| BNB | $102.63B | $108.50B |
| Solana | $93.34B | $128.87B |
| Tron | $22.41B | $28.69B |
| AVAX | $15.26B | $30.19B |
| TON | $14.78B | $25.17B |
| SUI | $12.25B | $14.26B |
| SUI is a strong contender in the L1 market, with the potential to reach the current Mcap of Solana. Therefore we speculate that SUI could do **7 to 9X** from its current Mcap of $12.25B by the end of 2025. | | |

# Analyst Opinion

- Summary & Conclusion

SUI is a new type of Layer 1 blockchain developed by Mysten Labs designed to process transactions faster and more efficiently. Its main goal is to support various applications, such as gaming, finance and real-time applications. The technology behind SUI is built to be user-friendly. Instead of processing transactions one after another like traditional blockchains, SUI can handle multiple transactions simultaneously by using its innovative consensus mechanism(Mysticeti). This helps SUI achieve high speeds with theoretical TPS of 297K and low costs with $0.01 for users, considered one of the best in the Layer 1 niche.

SUI sustains itself financially through a business model centered on its native token ($SUI), which is utilized for transaction fees and various network services. This token helps keep the chain running, fund the development of the platform and rewards those who help maintain it, such as validators(total 108) who secure the network. The team behind SUI consists of experienced professionals from the tech and blockchain industries, ensuring that the project is guided by knowledgeable individuals.

SUI is currently managed by its development team(no active governance model), and while there is no formal community voting system in place yet, there are plans to involve users in decision-making in the future. The platform follows a centralized structure, with more than half of $SUI tokens locked until their scheduled release after 2030, posing potential risks during token unlocking.

In the market, SUI operates in a competitive landscape filled with other L1 blockchain projects. However, its unique features and focus on speed and efficiency are still a challenge with competitors such as BNB, Tron, Solana and even with L2 chains. SUI has formed partnerships with other companies and projects, which helps enhance its offerings and reach a wider audience. The project raised $385m in funding from notable investors, providing financial support, backing and validation of its potential. The project actively engages with the public through social media and community events, ensuring that users are informed and involved.

The narrative of SUI revolves around creating a fast, efficient, and user-friendly blockchain that can support the next generation of online applications. It aims to make blockchain technology accessible to everyone, regardless of their technical background. As for network adoption, While SUI has experienced a 2 hour network outage, it has also seen a steady rise in adoption, with an increasing number of users and transactions.

- Fundamentals Analysis

    - Objective & mission
        - **Mission:** SUI aims to provide decentralized infrastructure for applications, products, and services that address real-world problems with high-speed, secure, and scalable solutions.
        - **Objectives**:
            - Achieve [horizontal scalability through parallel transaction processing](#), ensuring high throughput and low latency.
            - Ensure robust security with the Sui Move programming language.
            - Promote user-friendly experiences with features like [zkLogin](#) and abstracted gas fees while maintaining security and decentralization.
            - Foster a thriving ecosystem with strong DeFi, gaming, and infrastructure solutions.
            - Integrate cross-chain capabilities to enhance interoperability.

- Build and support a robust developer and user community.

- ○ Technology
  - ■ **Object-Centric Data Model:** Organizes data around "objects" with unique identifiers, enabling independent and parallel transaction processing.
  - ■ **Move Programming Language:** Rust-based, secure language tailored for SUI, offering protections against vulnerabilities like double-spending and reentrancy attacks.
  - ■ **Transaction Parallelization:** Processes unrelated transactions simultaneously across the network for horizontal scalability and low latency.
  - ■ **Mysticeti Consensus Mechanism:** Optimizes performance with sub-second latency, enabling high throughput and resistance to censorship.
  - ■ **Programmable Transaction Blocks (PTBs):** Allows modular execution logic for complex and customized transaction workflows.
  - ■ **Cryptographic Agility:** Supports Ed25519 and ECDSA with future-proofing for post-quantum cryptographic standards.
  - ■ **Cross-Chain Compatibility:** SUI bridge integrates native bridges and protocols like Axelar and Wormhole for interoperability with blockchains like Ethereum and Solana.
  - ■ **Storage Infrastructure:** Features a global object pool and a storage fund mechanism for efficient data storage and validator incentives.
  - ■ **SUI Packages**: In Sui, packages are immutable collections of Move modules that define smart contract logic and can be upgraded to add or remove functionalities post-deployment. This design allows developers to update their code while maintaining the immutability of deployed contracts, these are conceptually similar to smart contracts.

- ○ Product offering
  - ■ **Sui Wallet:** A self-custodial wallet enabling users to securely manage SUI tokens, NFTs, and interact with the SUI ecosystem.
  - ■ **zkLogin:** A user authentication solution allowing Web3 access using familiar Web2 credentials like Google and Facebook.

- **[Sui Bridge](#):** A native cross-chain solution facilitating secure and efficient asset transfers between SUI and other blockchains.
- **Sui Name Service ([SuiNS](#)):** Decentralized identity system converting wallet addresses into readable names for easier interaction.
- **Sponsored Transactions:** Allows third parties or applications to cover gas fees, enhancing the user experience.
- **Gaming Infrastructure:** Partnerships with studios to develop high-performance blockchain-powered games supporting NFT economies.
- Products built by Mysten Labs on SUI
  - **[DeepBook](#):** A native liquidity layer functioning as an on-chain central limit order book for decentralized exchanges and token swaps.
  - **[SuiPlay0X1](#):** A Web3 handheld gaming device integrating blockchain games with platforms like Steam and Epic Games.
  - **[Walrus](#):** Decentralized data storage for developers and users, ensuring secure and affordable infrastructure.
  - **[Enoki Platform](#):** A SaaS solution simplifying blockchain adoption for businesses, akin to Stripe for digital assets.
  - **[Sui Kiosk](#):** Decentralized commerce infrastructure supporting e-commerce platforms and NFT marketplaces.
  - **[SuiFrens](#):** A digital collectibles series designed to enhance engagement through creative interactions with users.

- Revenue streams & financial health
  - **Transaction Fees:** Revenue generated from fees charged for executing transactions on the network, rewarding validators and deterring spam.
    - As of [December 2024](#), Sui has generated [$78.03M](#) in annual transaction fees(Since its launch in May 2023).
  - **Storage Fees:** Users pay for blockchain data storage, which is allocated to a storage fund to incentivize future validators and for the ecosystem.
  - Revenue earned through fees(on SUI) collected from products developed by the Mysten team on the Sui network.
    - **Enoki Platform:** Earns through enterprise services that simplify blockchain adoption for businesses.
    - **[SuiPlay0X1](#) Sales:** Revenue from the Web3 handheld gaming device integrating blockchain-based gaming.

- **DeepBook Usage Fees:** Collects fees for providing liquidity and trading functionality via its native liquidity layer.

The platform's TVL has increased from less than $250M at the beginning of the year to approximately [$1.73B](#) by December, reflecting an annual increase of +695%. Additionally, SUI achieved an annual revenue of $78.03M, marking a remarkable growth of +8,425%. These metrics suggest a positive trajectory for Sui's financial health, supported by technological advancements and strategic partnerships.

- ○ Team
  - ■ [Evan Cheng](#) (CEO): Former Head of Research and Development at Novi and Technical Director at Meta; co-founder of Mysten Labs, focusing on building the Sui blockchain.
  - ■ [Sam Blackshear](#) (CTO): Former Chief Engineer at Novi, specializing in the Move programming language; co-founder and CTO of Mysten Labs.
  - ■ [Adeniyi Abiodun](#) (CPO): Former Head of Product Development at Novi; previously worked at VMware, Oracle, and JP Morgan; co-founder and CPO of Mysten Labs.
  - ■ [George Danezis](#) (Chief Scientist): Former researcher at Novi and Meta; previously worked at Microsoft and Chainspace; focuses on cryptography and security in blockchain.
  - ■ [Kostas Chalkias](#) (Chief Cryptographer): Former leading cryptographer at Novi; previously worked at R3 and Erybo, specializing in cryptographic protocols for blockchain.
  - ■ [Antoine Blanc](#) (APAC Head of Community): Experienced in community building and marketing within the Web3 space; leads community engagement efforts for Sui in the Asia-Pacific region.
  - ■ The team behind SUI consists of experienced professionals with expertise in blockchain development, cryptographic protocols, and product engineering. They have held leadership roles in research, product development, and cryptography at leading technology and financial organizations. Their track record includes significant contributions to programming languages, distributed systems, and security frameworks in blockchain and enterprise environments.

- ○ Governance & Decentralization
  - ■ As of December 2024, there is no active governance mechanism allowing community members or token holders to propose and vote on governance decisions. The project team has confirmed that no such process is currently in place, nor has a potential launch date been announced. However, similar to other blockchain projects, SUI token holders **may gain governance rights** in the future, as they already have the ability to delegate their tokens to validators, potentially paving the way for governance participation.
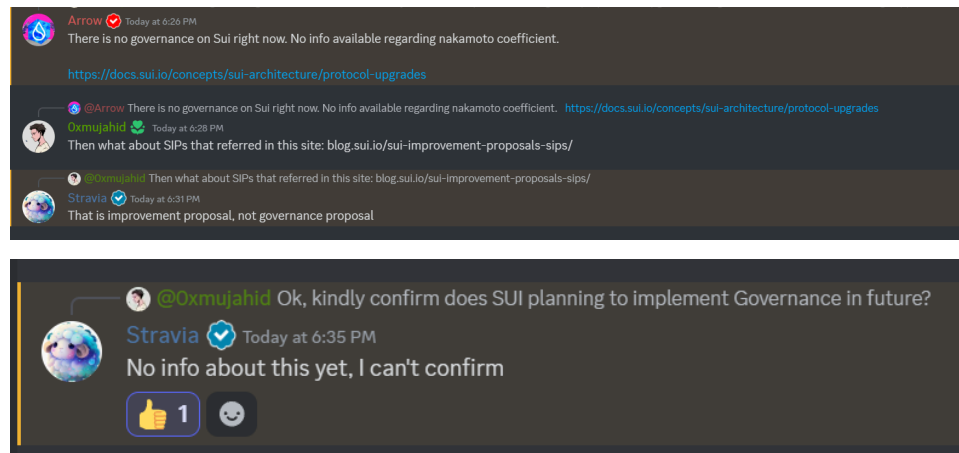




  - ■ The Nakamoto coefficient for SUI is [17](), reflecting a higher level of decentralization compared to Polygon, Celestia, Near, Hedera, Binance, and Algorand. Its decentralization level is comparable to that of Solana. Nevertheless a score of 17 is still very centralized
  - ■ SUI Network development upgrades via [SIPs]()

- ○ Roadmap
  - ■ **Q1 2023**: [Finalized testnet]() deployments to validate scalability and network resilience, intensified community engagement to onboard developers and projects.
  - ■ **Q2 2023**: [Launched Sui Mainnet]() with over 100 validators and 400 nodes, [introduced DeepBook]() as a native liquidity layer to support DeFi token swaps.
  - ■ **Q3 2023**: [Achieved 1M]() active accounts and [launched zkLogin]() for Web3 logins, and surpassed 3M active accounts by August.
  - ■ **Q4 2023**: TVL increased by [341% in October](), surpassed [$100M in TVL](), and released [Move 2024 programming language update]() in November.

- **Q1 2024**: DeFi [TVL surpassed $500M](#), bridged a record [$320M](#) from Ethereum, introduced the [Pilotfish consensus mechanism](#) for enhanced scalability and efficiency.
- **Q2 2024**: Hosted [Sui Basecamp Summit](#), [launched Mysticeti](#) to reduce latency, [introduced Enoki platform](#), held [Overflow Hackathon with $1M](#) prize pool, and integrated [FDUSD stablecoin to reach $700M TVL](#).
- **Q3 2024**: Walrus Launched, Decentralized governance [launched for SuiNS](#), market cap increased to $4.8B, driven by USDC integration and Cross-Chain Transfer Protocol plans.
- **Q4 2024**: [Pre-orders opened for SuiPlay0X1](#) gaming device, [Sui Bridge launched](#) for Ethereum asset transfers, [integrated native USDC](#), and resolved a temporary blockchain halt.
- **2025 Projections**: Delivery of SuiPlay0X1 expected, AI-powered enhancements to improve gaming and DeFi experiences, expanded support for dApps and enterprise use cases, with multichain integrations like [Backpack Exchange](#) to enhance connectivity.

○ Market positioning & competitor analysis

As of December 2024, Sui has emerged as a formidable contender in the L1 blockchain arena, distinguished by its rapid growth and technological innovations. Sui has attracted over 35M active accounts, collectively executing more than [7.7B transactions](#) on its mainnet. This impressive adoption is reflected in its TVL, which has surpassed $3B, marking a [9,074% increase](#) since inception. Sui's unique architecture, leveraging the Move programming language and parallel transaction processing, enables exceptional scalability and low latency, making it a preferred platform for dApps and DeFi projects.

Despite its achievements, Sui faces significant challenges in a competitive L1 landscape dominated by established players like Ethereum and Solana. While its daily active addresses reached 1M as of September 2024, this figure remains below [Solana's 4M](#), indicating room for growth in user engagement. Additionally, Sui must navigate the complexities of attracting and retaining developers and users in an ecosystem crowded with high-performance blockchains. Its success will depend on continuous innovation, effective marketing, and the ability to differentiate itself through unique features and user-friendly solutions. Nonetheless, with its robust technological foundation and strategic developments, Sui is well-positioned to enhance its standing in the L1 niche, contributing to the evolving dynamics of the blockchain sector.

| Blockchain | Primary Function | Base Layer & Tech Stack | Products and Services | Competitive Edge | Weak Areas | Target Audience |
|---|---|---|---|---|---|---|
| SUI | High-speed, low-latency blockchain | Permissionless Layer-1, Move programming language, parallel transaction execution | Blockspace to launch decentralized applications and smart contracts | Scalability through parallelization, low fees, object-centric model, seamless onboarding | Early-stage ecosystem, limited interoperability compared to older blockchains | Developers, gamers, DeFi users, enterprises exploring scalable Web3 solutions |
| Ethereum | Smart contract platform, DeFi hub | Proof-of-Stake Layer-1, EVM, Solidity programming language | Blockspace to launch decentralized applications and smart contracts | Largest dApp ecosystem, established developer community, robust security through decentralization | High gas fees, lower throughput without Layer-2 solutions | Developers, DeFi users, enterprises seeking a mature ecosystem |
| Solana | High-speed, high-performance blockchain | Proof-of-History (PoH) and Proof-of-Stake (PoS), Rust programming language | Blockspace to launch decentralized applications and smart contracts | Ultra-fast transaction speeds, low fees, strong focus on gaming and NFTs | Network reliability issues, occasional downtimes | NFT creators, gamers, developers prioritizing speed and low costs |
| BNB Chain | General-purpose smart contracts | Proof-of-Stake Authority (PoSA), EVM-compatible, BSC and BEP20 token standards | Blockspace to launch decentralized applications and smart contracts | Backed by Binance ecosystem, low fees, and EVM compatibility | Perception of centralization, smaller dApp ecosystem compared to Ethereum | Retail investors, DeFi users, and Binance-centric users |

| Tron | Content-sharing and payment apps | Delegated Proof-of-Stake (DPoS), EVM-compatible | Blockspace to launch decentralized applications and smart contracts | High transaction throughput, low fees, strong focus on stablecoin adoption | Limited developer tooling, smaller developer community | Content creators, stablecoin users, enterprises exploring blockchain payments |
|---|---|---|---|---|---|---|

- SUI vs top 5 L1s with **Number of Daily transactions**
  - Solana leads with over 1B daily transactions, while SUI is catching up, showing progress alongside Tron and BNB.
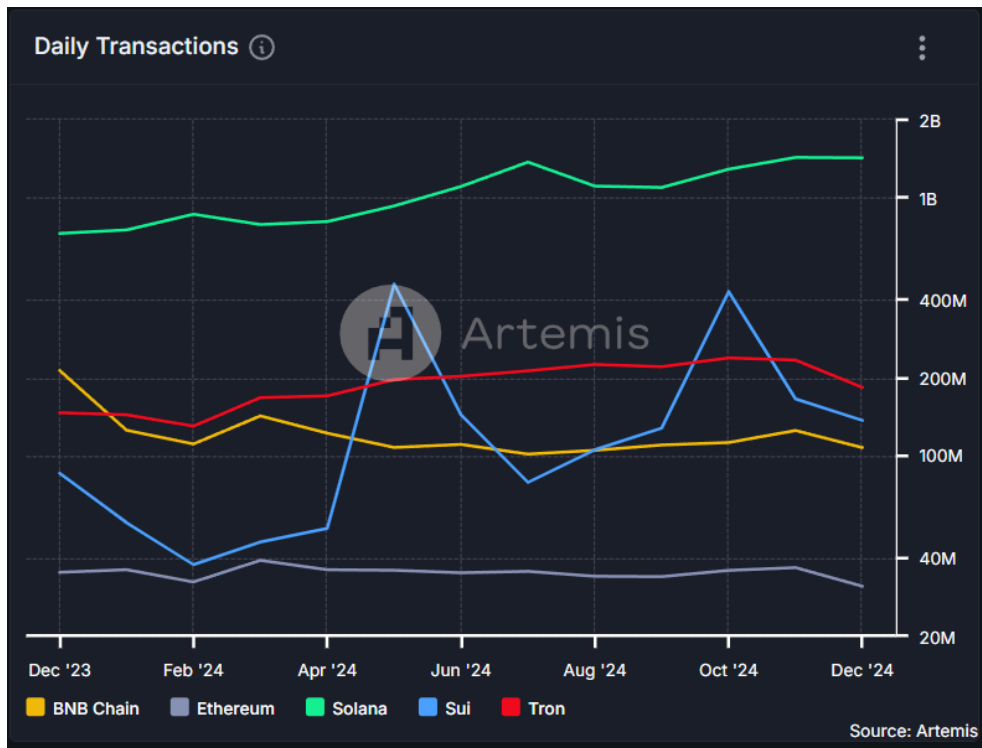


- SUI vs top 5 L1s with **Number of Daily Active addresses**
  - Solana and Tron have over 6M and 2M daily active addresses, respectively. SUI with nearly 1M active accounts.

Daily Active Addresses ⓘ

BNB Chain  Ethereum  Solana  Sui  Tron

Source: Artem
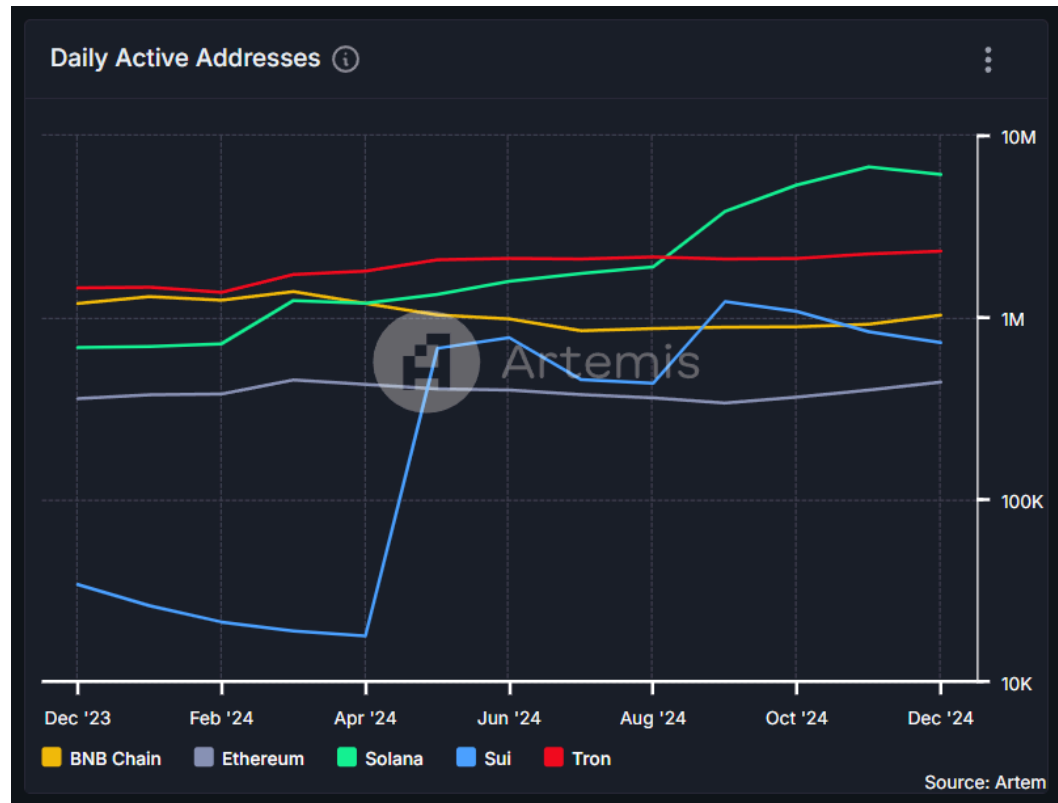
- SUI vs top 5 L1s with **TVL in USD**
  - Ethereum dominates the TVL market with over $71B. SUI shows steady growth, keeping pace with other major L1s.

TVL (USD) ⓘ

$100B

$10B

$1B

$100M

Dec '23    Feb '24    Apr '24    Jun '24    Aug '24    Oct '24    Dec '24

■ BNB Chain    ■ Ethereum    ■ Solana    ■ Sui    ■ Tron

Source: DefiLlama
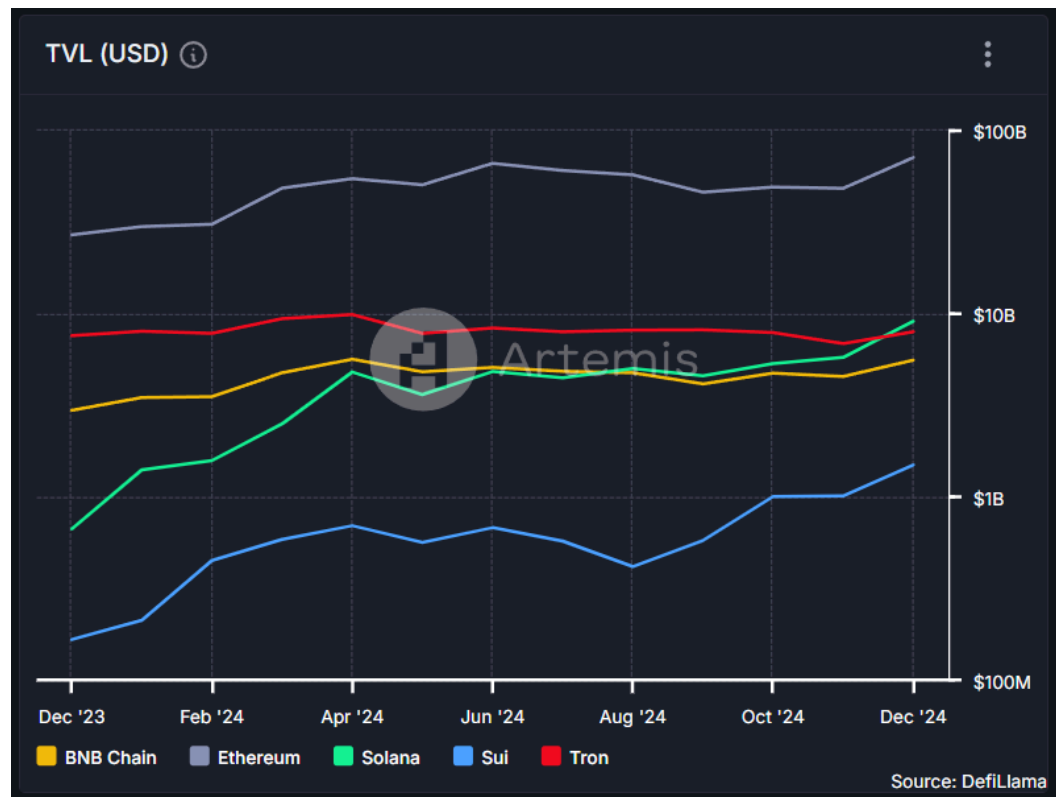
- SUI vs top 5 L1s with **Dex Volumes**
  - Ethereum, Solana, and BNB maintain higher DEX volumes. SUI, however, has surpassed Tron in this metric.

Dex Volumes ⓘ

Source: DefiLlama

Legend: ■ BNB Chain ■ Ethereum ■ Solana ■ Sui ■ Tron
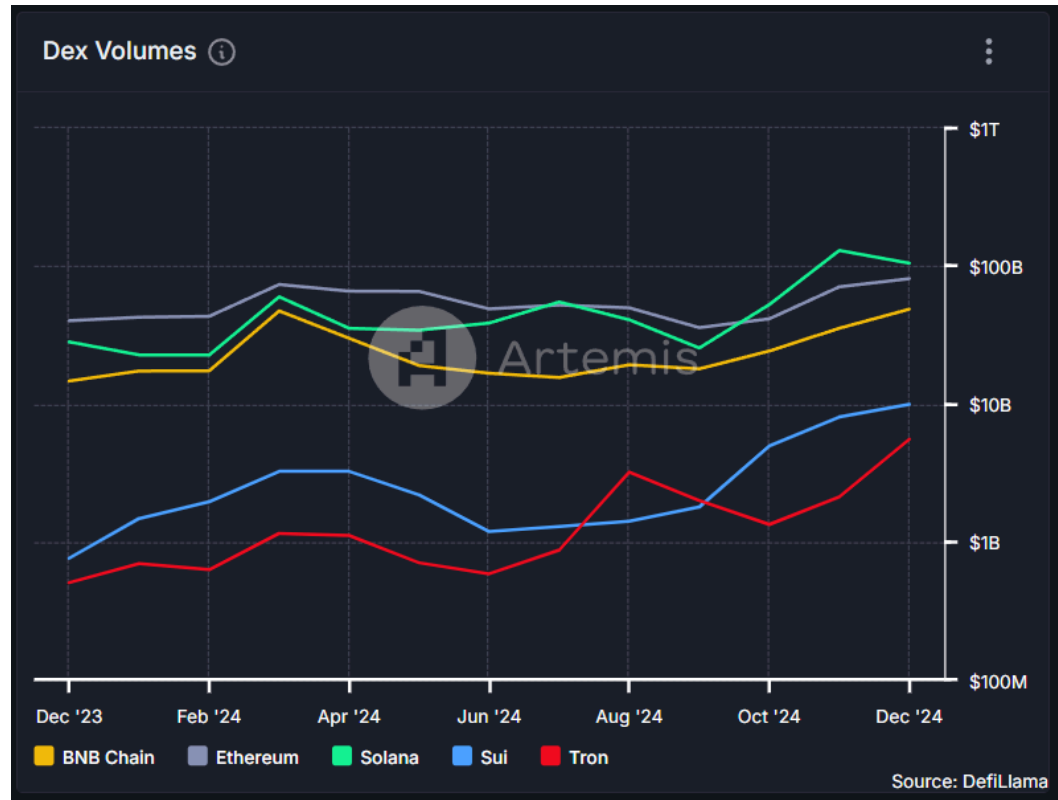
- SUI vs top 5 L1s with **Fees**
  - As of late 2024, SUI has generated more than $1M in fees, while other leading L1s have exceeded $80M.
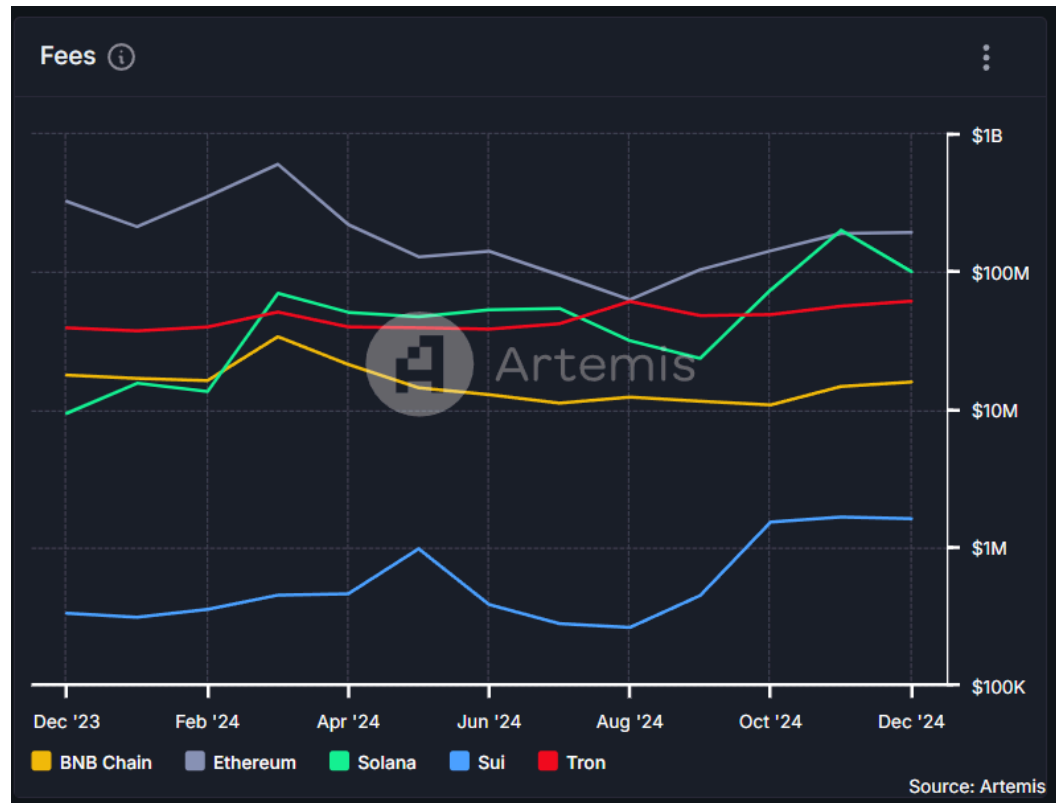
Fees ⓘ

- SUI vs top 5 L1s with **Revenue**
  - As of December, 2024, SUI has generated less than $1M in fees, while other leading L1s have exceeded $80M.

**Revenue** ⓘ

Source: Artemis

- BNB Chain
- Ethereum
- Solana
- Sui
- Tron
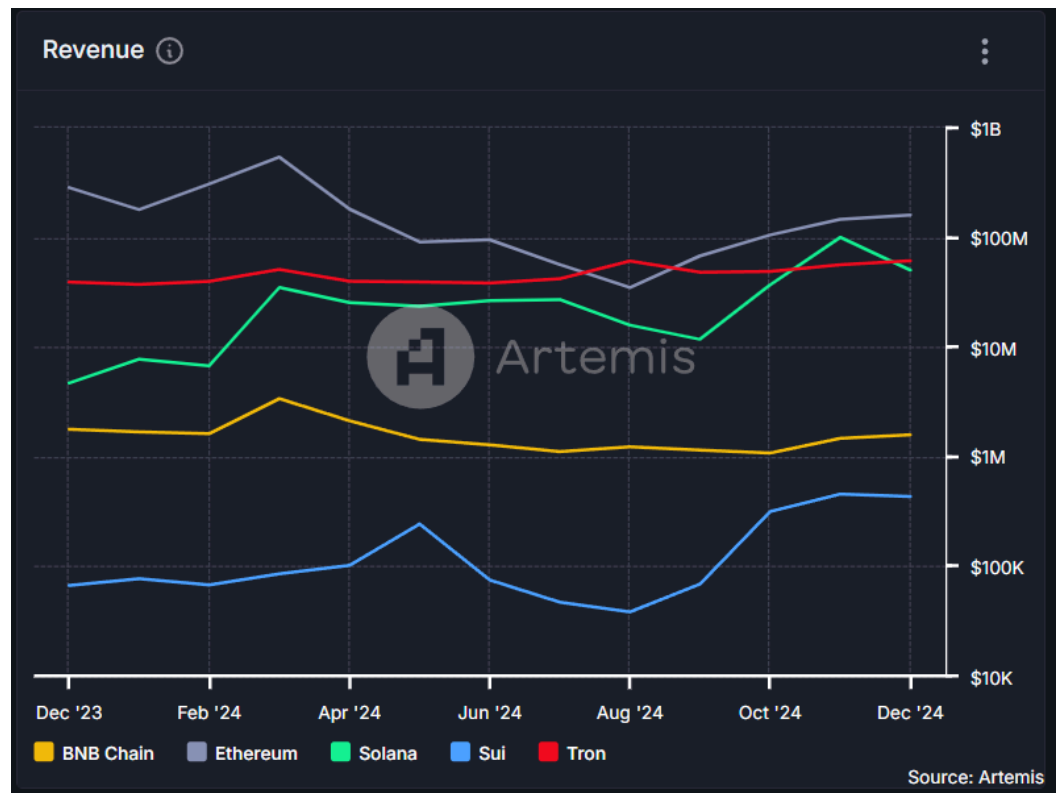
● Tokenomics Analysis

- ○ Tone name & type
  - ■ $SUI, Native token on SUI chain

- ○ Utility
  - ■ Gas Fees: SUI is used to pay gas fees required to execute and store transactions or other operations on the Sui network.
  - ■ Staking: SUI tokens can be staked to participate in the PoS mechanism, securing the network and earning staking rewards.

- ○ Supply, vesting, distribution
  - ■ TGE: 3rd of May, 2023
  - ■ SUI Total & Max supply: 10B
  - ■ SUI Circulating supply: 2.92B

- Sui vesting data is only supported up to 2030 (47.83% of the total allocation), as the project only released data for the next 7 years; therefore, the unlock data for Mysten Labs Treasury, Early Contributors, Community Reserve is incomplete in the vesting schedule.

| Allocation | Token Amount (SUI) | % of Total Supply | Description |
|---|---|---|---|
| Undisclosed Recipient | 5.22B | 52.2% | None unlocked so far, Planned unlock after 2030. These locked tokens are staked for Validators. |
| Community Reserve | 1.06B | 10.6% | ~29.6% unlocked at TGE<br>1-month cliff, then monthly unlocks for about 6.9 years<br>626.99M unlocked so far, 433.01M remaining |
| Stake Subsidies | 949.41M | 9.5% | ~3.51% unlocked at TGE<br>Remaining portion unlocks monthly for 7 years<br>503.76M unlocked so far, 445.65M remaining |
| Series A Round | 714.17M | 7.1% | 1-year cliff<br>After cliff: 69.4% unlock, followed by 1 year of monthly vesting<br>634.70M unlocked so far, 79.47M remaining |
| Series B Round | 695.56M | 7% | 1-year cliff<br>After cliff: 33.3% unlock, then monthly for 2 years<br>366.94M unlocked so far, 328.62M remaining<br>First unlock on 05/31/2024 (end of month) |
| Early Contributors | 613.37M | 6.1% | 1-year cliff<br>Then 17.8% unlock, followed by monthly releases for 6 years<br>182.60M unlocked so far, 430.77M remaining |
| Community Access Program | 582.00M | 5.8% | ~28.6% unlocked at TGE<br>Rest released in linear monthly unlocks over 13 months<br>All 582.00M unlocked |

| | | | First monthly unlock began on 06/03/2023 |
|---|---|---|---|
| **Mysten Labs Treasury** | 163.48M | 1.6% | 6-month cliff<br>Then linear monthly unlocks for 6.5 years<br>29.34M unlocked so far, 134.14M remaining |
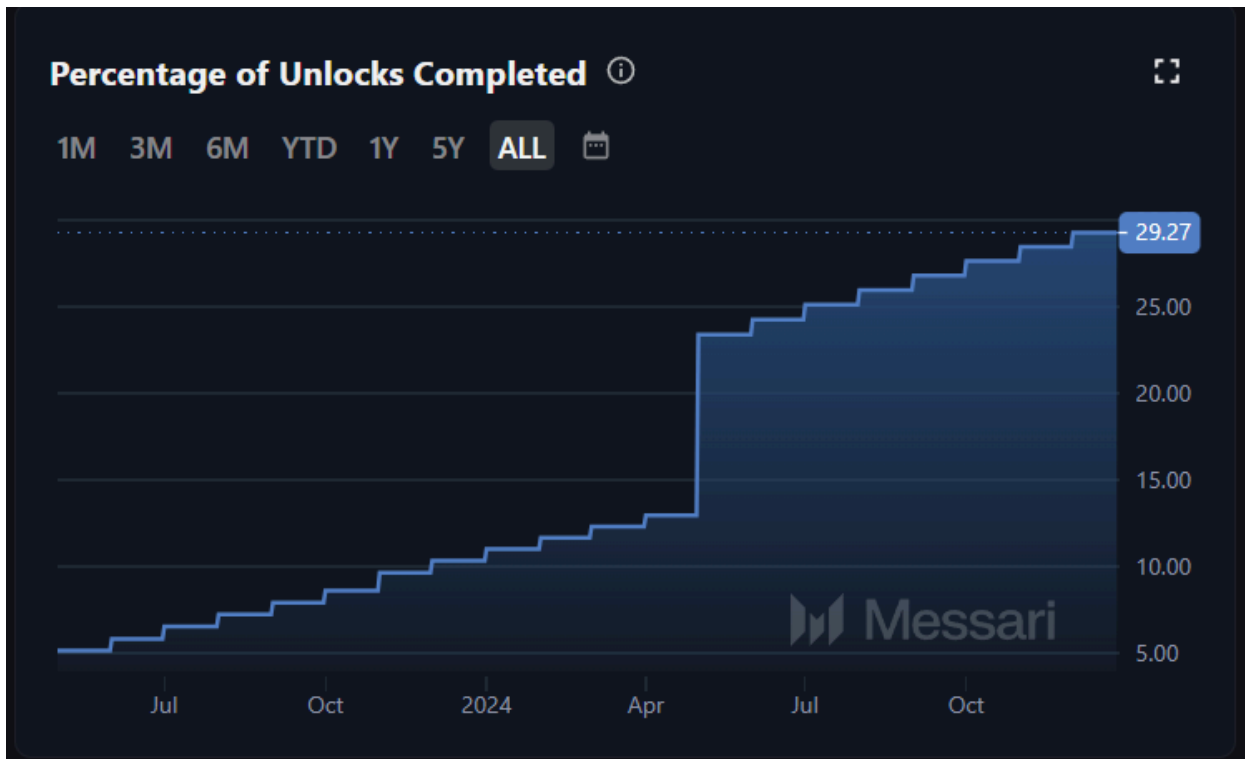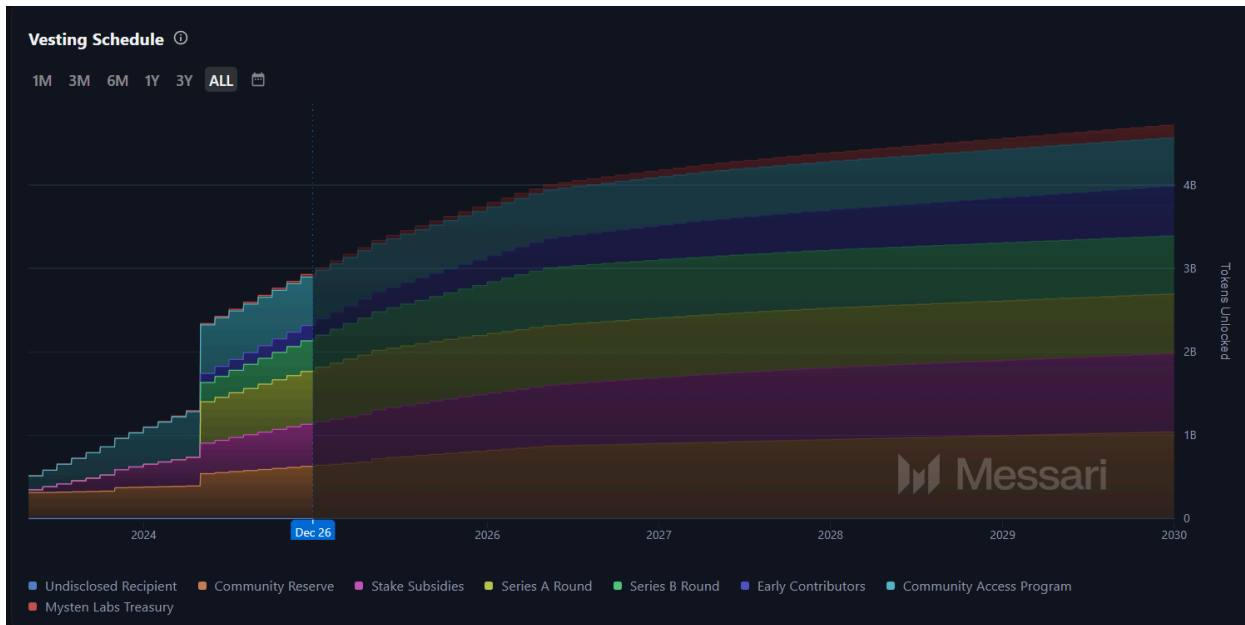
- On chain data

| Metric | Network |
| --- | --- |
| *Demand-side metrics* | |
| TVL | $1.73B |
| Fees (annualized) | $74.45M |
| Active addresses (daily avg) | 650K-750K |
| Core developers(Weekly Avg) | 150-200 |
| *Tokenomics* | |
| Maximum supply | 10B |
| Circulating supply | 2.92B |
| Current Inflation | 27.68% |
| Staking APR | 2.82% |
| *Scalability* | |
| Transactions per second (TPS) | 500-600 |
| Max recorded TPS(Theoretical Max TPS) | 10.35K(297K) |
| Average transaction fee | $0.01-$0.015 |
| *Metrics* | |
| Market Capitalization | $12.86B |
| Fully Diluted Mcap | $41.88B |
| Market cap to TVL ratio | 14.59 |
| Price-to-fees ratio (Mcap/ Annualized fees) | 172.81 |

- Token Demand & Holder dynamics

- **[SUI Holdings(Excluding Exchanges)](#)**
  - Top 5: 168.47M (1.68%)
  - Top 10: 227.8M (2.27%)
  - Top 20: 301.92M (3.01%)
  - Top 30: 360.98M (3.60%)
  - Top 40: 415.64M (4.15%)
  - Top 50: 463.65M (4.63%)
  - The token distribution is sufficiently decentralized

- Community & Narrative Analysis

  - Partnerships
    - **Amazon Web Services (AWS)**: It simplifies deploying and managing Sui full nodes within the AWS cloud environment, utilizing AWS's high availability, scalability, and reliability.
    - **Google Cloud**: Focused on Web3 innovation, integrating Sui data into BigQuery and AI-based debugging.
    - **Stork**: Provides off-chain data feed oracle services for fast pricing data.
    - **Ant Digital Technologies + ZAN**: Integrated real-world assets (RWA) with a focus on ESG-backed assets.
    - **BytePlus**: Explores AI and Web3 gaming for improved user experience.
    - **Luganodes**: Partners with VOLO to ensure decentralized and secure validator services.
    - **ZettaBlock**: Contributes to Web3 data innovations as a foundational partner.
    - **Revolut**: Promotes blockchain education and adoption with Sui content in its Learn program.
    - **Franklin Templeton Digital Assets**: Advances Sui's ecosystem through strategic collaboration.
    - **Copper**: Provides Sui custody and staking services.
    - **Circle**: Introduced native USDC and CCTP on Sui.
    - **Babylon Labs**: Collaborates for integrating Bitcoin with Sui.
    - **Cetus Protocol**: Invested in Haedal and enhanced Bitcoin liquidity on Sui.
    - **Bluefin**: Partnered with AlphaFi for yield optimization and provided an exclusive airdrop to Cetus members.

- **Artfi**: Focused on real-world art tokenization and investment opportunities.
- **FlowX Finance**: Collaborates with DoubleUp, Nimbus, and Pramb for enhanced portfolio management and liquidity insurance.
- **7K Fun**: Integrated with RaidenX for ecosystem growth.
- **Inspect**: Boosted Sui's ecosystem with its integration.
- **Team Liquid**: Partnered to develop blockchain-related projects.
- **MoveBit**: Introduced enhanced blockchain security and interoperability.
- **Gumi**: Collaborated to create blockchain games like "Brave Frontier Versus."
- **Arttoo**: Integrated with Sui to revolutionize art investments.

- Investors & Backers
  - Total Funding: $385.37M
  - Investors: Andreessen Horowitz (a16z), Electric Capital, Hack VC, Lightspeed Venture Partners, SamsungNext, Slow Ventures, Standard Crypto, Redpoint, Coinbase Ventures, Binance Labs, Circle, Jump Crypto, Franklin Templeton Investments, Apollo Global Management, Cypher Capital, FTX Ventures.
  - Series A Funding
    - **Date**: December 6, 2021
    - **Amount Raised**: $36M
    - **Token Allocation**: 714.17M SUI (~7.1% of total supply)
    - **Price per Token**: $0.05
  - Series B Funding
    - **Date**: September 8, 2022
    - **Amount Raised**: $300M
    - **Token Allocation**: 695.56M SUI (~7% of total supply)
    - **Price per Token**: $0.43
  - KuCoin Spotlight IEO
    - **Date**: April 23–24, 2023
    - **Amount Raised**: $22.5M
    - **Token Allocation**: 225M SUI (~2.25% of total supply)
  - OKX Jumpstart IEO
    - **Date**: April 23–24, 2023
    - **Amount Raised**: $22.5M

- - **Token Allocation**: 225M SUI (~2.25% of total supply)
  - **Price per Token**: $0.10
  - KuCoin Spotlight IEO (Second Round)
    - **Date**: April 23–24, 2023
    - **Amount Raised**: $750,000
    - **Token Allocation**: 25M SUI (~0.25% of total supply)
    - **Price per Token**: $0.03
  - OKX Jumpstart IEO (Second Round)
    - **Date**: April 23–24, 2023
    - **Amount Raised**: $750,000
    - **Token Allocation**: 25M SUI (~0.25% of total supply)
    - **Price per Token**: $0.03
  - Bitforex Turbo Starter IEO
    - **Date**: April 23–24, 2023
    - **Amount Raised**: $50,000
    - **Token Allocation**: 500,000 SUI (~0.005% of total supply)
    - **Price per Token**: $0.10
  - Bybit IEO
    - **Date**: May 1–3, 2023
    - **Amount Raised**: $2.82M
    - **Token Allocation**: 94M SUI (~0.94% of total supply)
    - **Price per Token**: $0.03

- Social presence
  - [X](): 887K
  - [Discord](): 719K
  - SUI Network's Twitter presence is excellent and expanding, attracting notable followers from the crypto and blockchain space. Influential figures such as [@cdixon]() (Chris Dixon, 898k followers), [@aeyakovenko]() (Anatoly Yakovenko, Solana Co-Founder, 454k followers), [@cburniske]() (Chris Burniske, 313k followers), and [@laurashin]() (Laura Shin, 254k

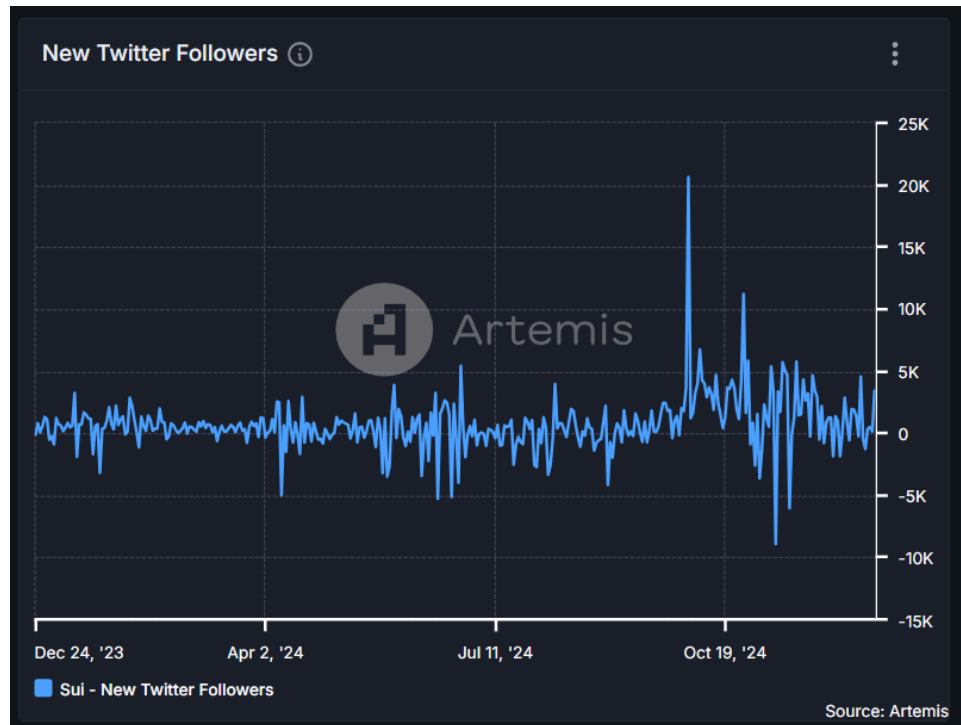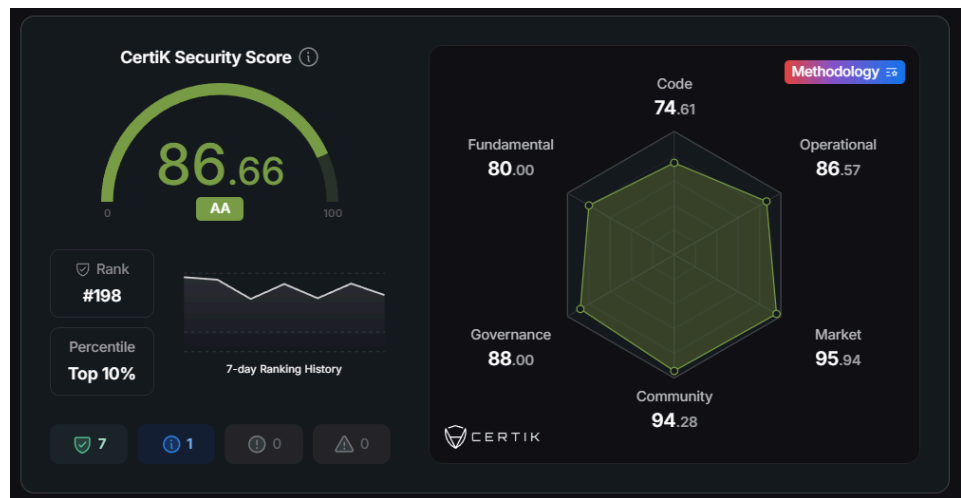followers) are among its followers.
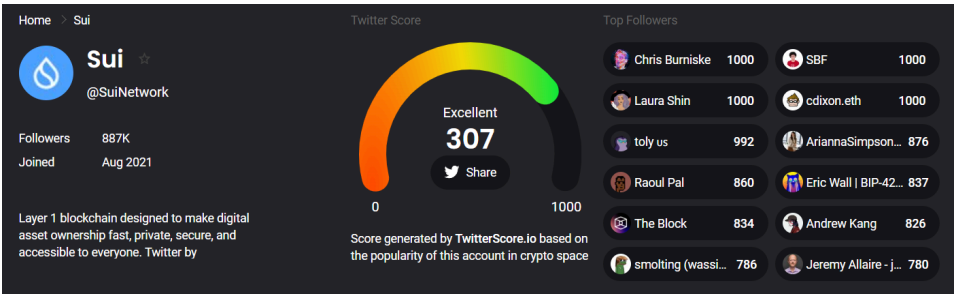


■ In Q4 2024 SUI gained 180K followers due to increase in adoption.
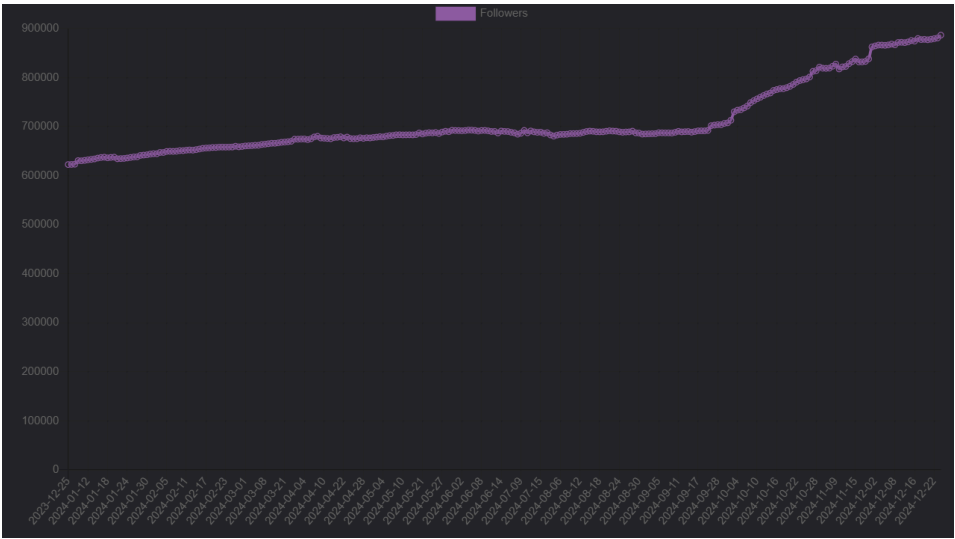
- In the month of Dec 2024 SUI is gaining [1k-3k](#) daily new followers on average
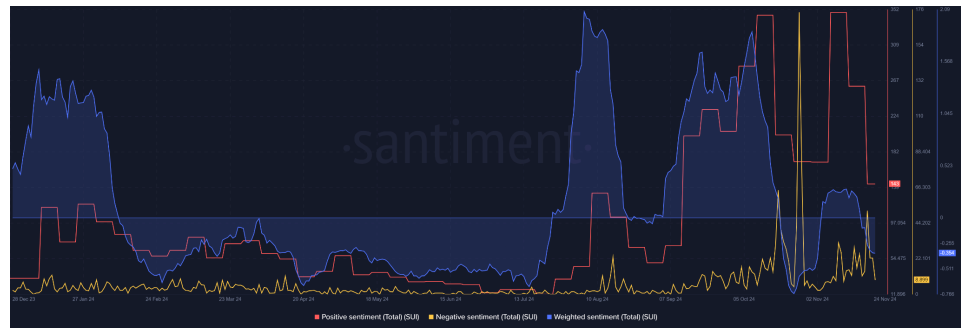


- Security Score from [Certik Skynet](#), this Score evaluates a SUI's real-time security posture using on-chain and off-chain data.



- According to [sentiment data](#), the red line represents positive sentiment toward SUI, which significantly outweighs negative sentiment, with [90%](#)

of the sentiment leaning positively.



■ According to Lunarcrush, engagement (orange) saw an increase in Q4 2024, driven by SUI reaching an all-time high and total value locked (TVL) rising to $1.73 billion. Sentiment (yellow) remained steady throughout 2024, averaging 85-90% positive.



- ○ Narrative

As of December 2024, Sui (SUI) has gained significant traction in the L1 blockchain space, driven by its high transaction speeds and cost-efficiency, which have contributed to its rapid growth. Sui's TVL has risen from under $250M at the beginning of the year to $1.73B by December, demonstrating substantial adoption. The platform reached a new all-time high due to its growing user base and increased activity.

However, Sui has yet to achieve full decentralization, as it currently lacks an active governance model. Establishing a decentralized governance framework is critical for L1 blockchains aspiring to complete decentralization. Notably, even Solana, which is not fully decentralized, has achieved major success and ranks among the top 5 cryptocurrencies by market capitalization. With the competitive dynamics of L1 and L2 solutions intensifying, Sui has the

potential to perform comparably to Solana, given its current trajectory and market reception. Sui is relatively easy for retail users to understand, but its tokenomics present certain risks. The Sui team has planned token unlocks extending to 2030, with 52.2% of tokens still locked. This introduces uncertainty, as the token distribution beyond 2030 remains unclear.

- ○ Adoption analysis
  - ■ Number of daily new address (Non cumulative)
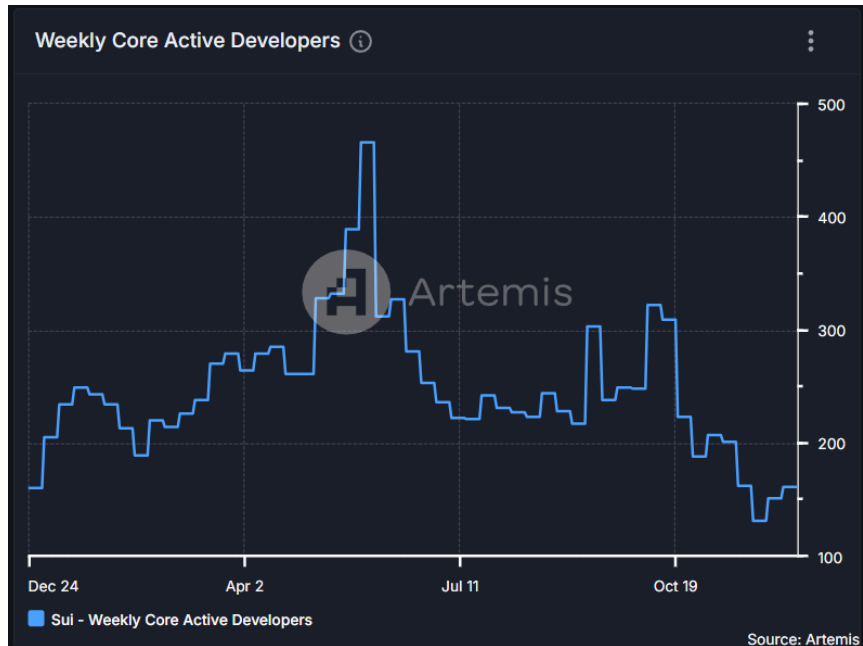    - ● On daily average 200K-250K
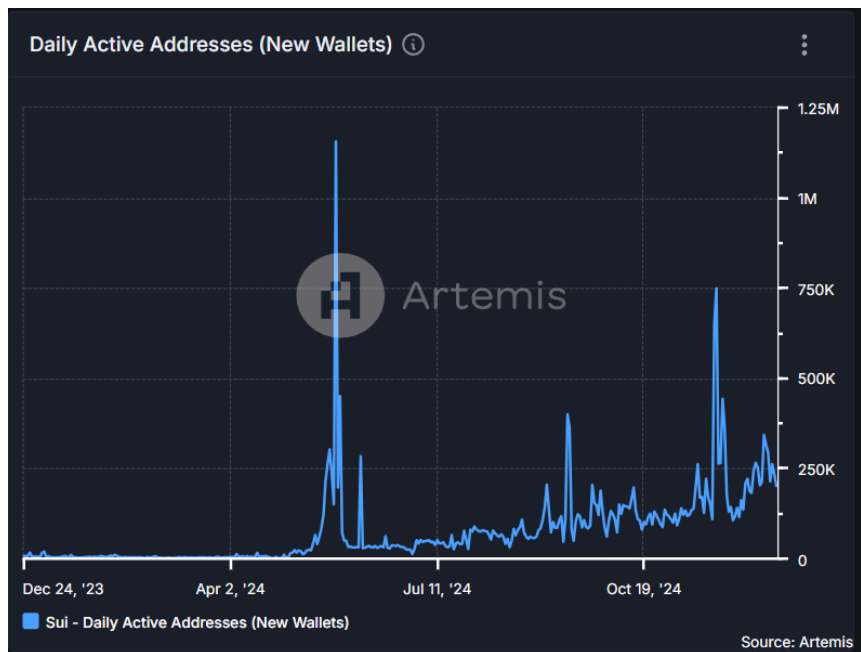


  - ■ Number of protocols within the ecosystem
    - ● Total 220 active dApps are available
  - ■ Network Activity- Number of daily active developers
    - ● From the month of Nov, 2024 core developer decreased 160 with weekly average of 150-200

**Weekly Core Active Developers** ⓘ

Source: Artemis

- Daily Active validators: 108



**Active Validators**

The number of validators in the active set. The active set comprises validators that are engaged in the Consensus.

Active Validators    108
ALL

* Amount depends on the selected period

- SUI completed 2.89B transactions since its mainnet launch
- As of December 2024, the SUI mainnet has seen the deployment of 110.5K new coins, 54.6M new NFTs, and 176.5K packages since its mainnet launch.

■ The daily active addresses interacting with contracts tagged to the protocol, category, or chain average between 500K-600K.



**Daily Active Addresses (Returning Wallets)** ⓘ

Sui - Daily Active Addresses (Returning Wallets)

Source: Artemis
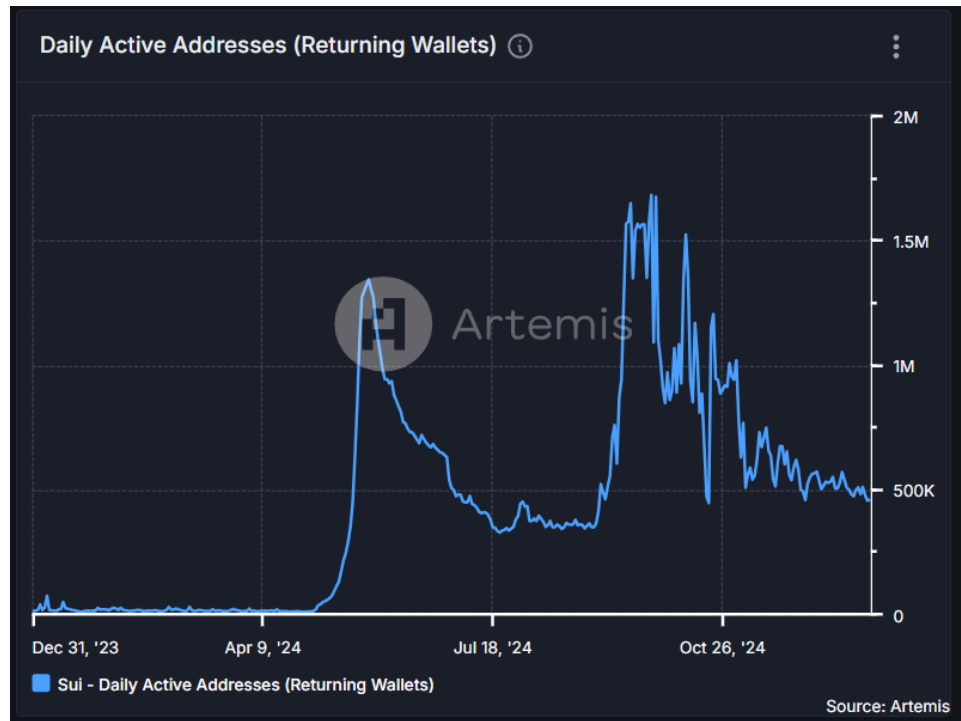
■ Daily active users from Top 10 applications
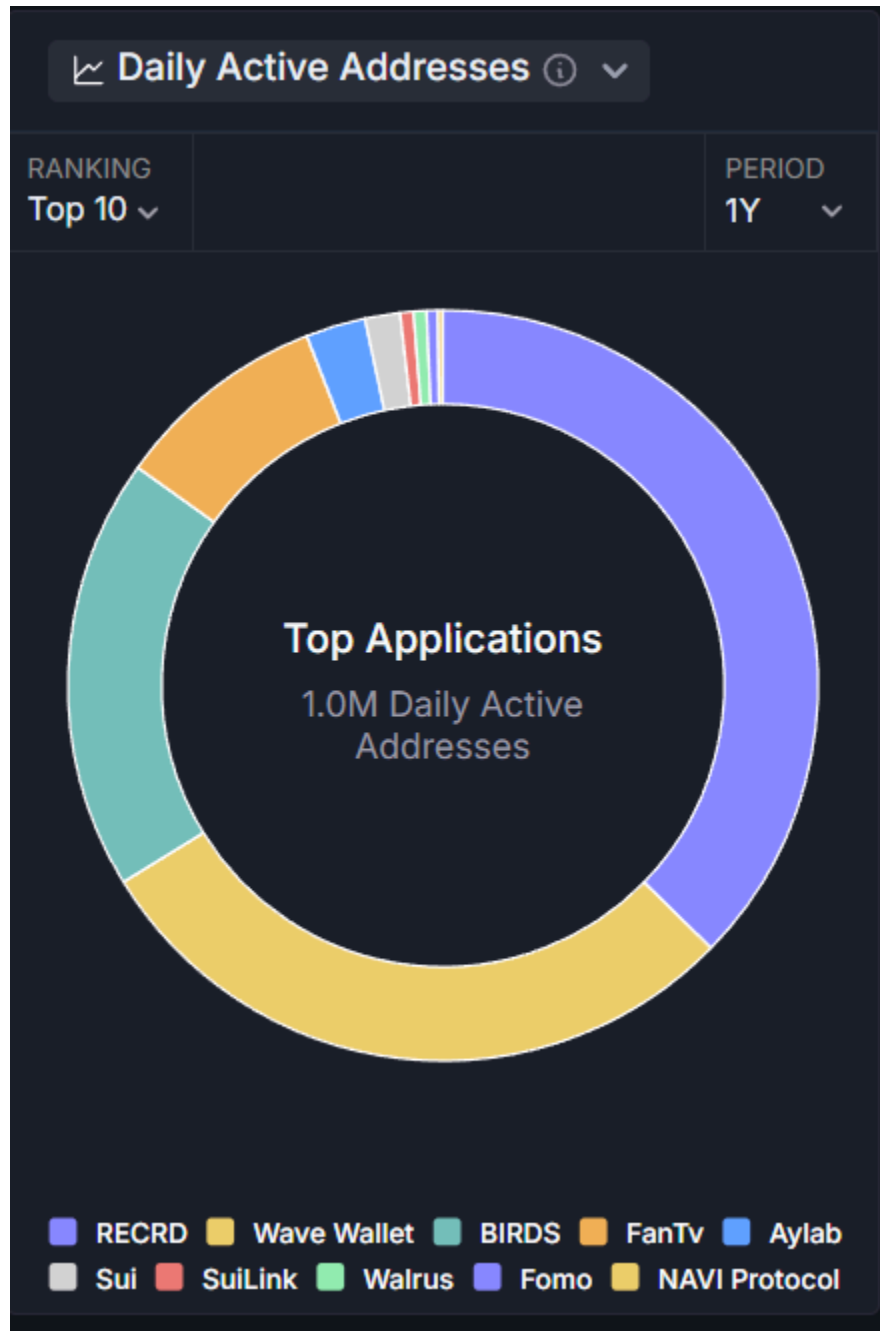


■ The stablecoin market is essential to the DeFi ecosystem. In late 2024, the stablecoins minted or bridged to the SUI network averaged between

[$350M-$400M](#).



- ■  Sui's DEX volume has surpassed [$35B](#), with a single-day record of over $466M, highlighting increased trading activity within its ecosystem.

- ● Risks

  - ○ **Operational Disruptions:** Sui has experienced [network outages, such as the incident in November 2024](#) where block production was halted for over an hour. These disruptions can undermine user confidence and impede transaction processing.

  - ○ **Competition from L1 and L2**: Sui faces significant competition from established platforms like Ethereum, EVM-compatible L2 solutions such as Optimism and Base, and high-performance L1 blockchains like Solana, which boasts over 4M daily active users. To gain market share, Sui must prioritize innovation and the expansion of its ecosystem to stand out in this competitive landscape.

- **No Active Governance**: As of December 2024, Sui lacks a decentralized governance system that allows token holders to propose and vote on network upgrades or decisions. Currently, governance matters are managed by community members, and protocol upgrades follow the Sui Improvement Proposal ([SIPs](#)) process, with the project team maintaining substantial control over development and updates. This centralized approach may hinder broader community engagement. Although future governance plans are under consideration, they have not yet been implemented.

- **Locked SUI Risk**: Out of the [7.85B SUI tokens staked with validators](#), 5.22B are unreleased and part of the total 52.2% locked supply, leaving the actual staked amount at 2.63B. While this strategy enhances network security, it introduces risks such as potential market dilution and centralization concerns. Retail investors might expect significant price volatility and selling pressure when these tokens are released, especially since no clear communication or schedule for their release has been provided. A substantial release of tokens after 2030 could adversely affect market stability and investor confidence. Furthermore, the token's high inflation rate of [27.68%](#) amplifies these risks, pointing to problematic tokenomics.

- Important links
  - [Twitter](#)
  - [Discord](#)
  - [Website](#)
  - [YouTube](#)
  - [LinkedIn](#)
  - [Blogs](#)
  - [Whitepaper](#)