



Weekly Hot Take

Token 2049/Breakpoint: Cautious Optimism Amidst the Chaos

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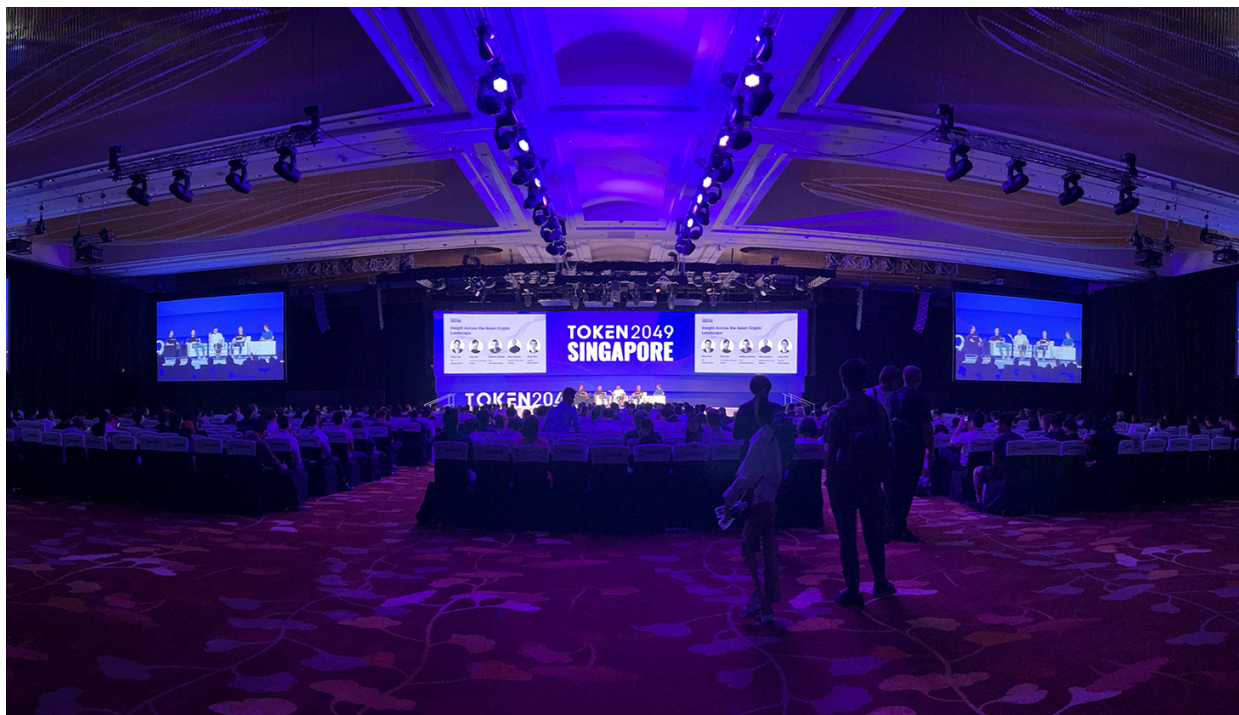
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Figure 1: Token2049 Main Stage



Source: Presto Labs

Summary

- Cautious optimism prevailed at Token2049 and Solana Breakpoint, reflecting a maturing crypto industry that's learned from past mistakes while still recognising the industry's enormous potential.
 - Excessive spending in primary markets remains a concern, but growing awareness and criticism of this trend suggest the industry is beginning to prioritise substance over spectacle.
 - Solana's resurgence, highlighted by developments like Firedancer, demonstrates the ecosystem's innovation, while the cultural contrast with Ethereum's approach encapsulates the broader debate on balancing speed and thoroughness in blockchain development.
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1. Overview

Following WebX in Tokyo and KBW in Seoul, the back-to-back conferences of Token2049 and Solana Breakpoint in Singapore marked the end of an Asian crypto tour for many. For most, Singapore was the final crypto conference destination for the year. With over 20,000 attendees and 500 side events, this may have been the biggest crypto conference in history. Everywhere you looked in Singapore, you saw guys in a crypto protocol black t-shirt, shorts, cap, and a backpack.

The sheer scale of these events raises some important questions: What was the prevailing sentiment? What topics dominated conversations? And crucially, what insights can we glean about the future trajectory of the crypto industry? Let's dive into the key takeaways from these significant gatherings.

2. Three Biggest Takeaways

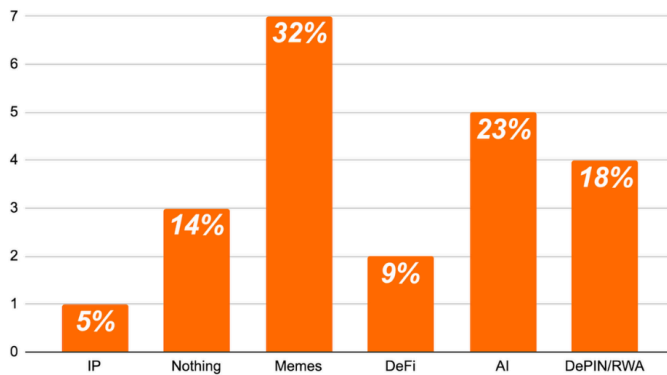
2.1 Cautious Optimism: The Current Crypto Mantra

The biggest takeaway from these conferences seemed to be "cautious optimism." It's a stark contrast to the unbridled enthusiasm of previous years, indicating a maturing industry that's learned from past mistakes. Investors, in particular, were walking a tightrope between hope and hesitation. Beyond the polished VC thought pieces on Twitter, conversations with actual traders and investors revealed a more nuanced perspective.

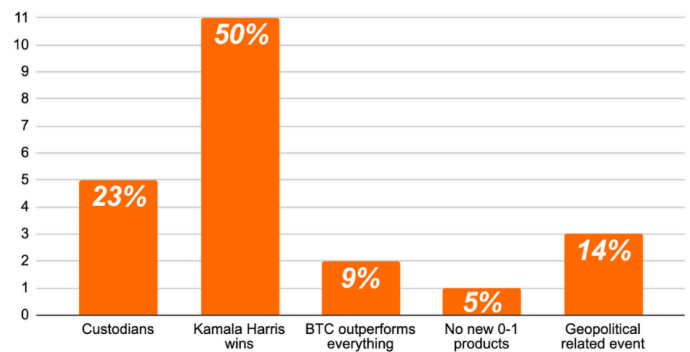
The potential of crypto remains undeniably massive – from revolutionising finance to creating new digital economies and reshaping the internet. However, the industry has faced enough setbacks to approach future developments with a healthy dose of scepticism. Throughout the conference, the Presto Research team asked various attendees the same four questions to gauge the broad sentiment and get a sense of what people were excited about and concerned with. The results, as shown in Figure 2, showed some apprehension among crypto professionals - for examples, when answering Q3 "Markets higher or lower at end-of-year?", despite almost 70% answering "Higher", the vast majority were not confident in their answers and many joked that they answered based more on hope rather than belief.

Figure 2: Conference participant survey results

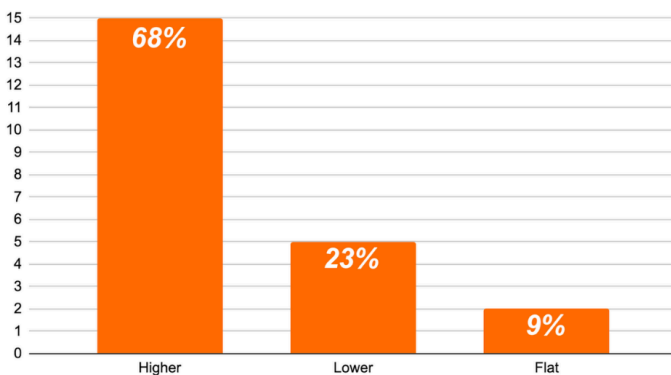
(Q1) What do you think the most exciting narrative for 2024 is?



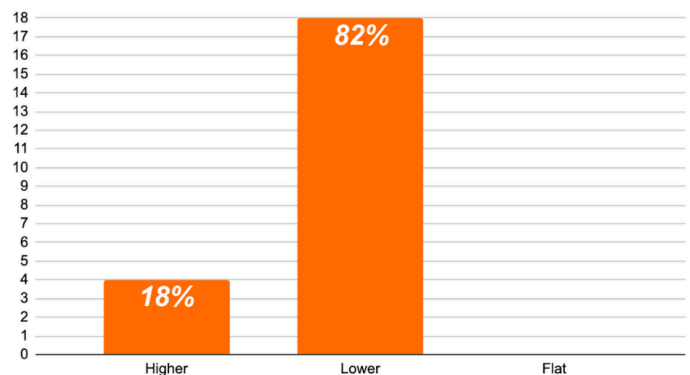
(Q2) What do you think the biggest challenge/headwind for 2024 is?



(Q3) Markets higher or lower at end-of-year?



(Q4) ETH/BTC higher or lower at end-of-year?



Source: Presto Research

2.2 The Primary Market Money Pit: Too Much Cash, Too Little Sense

If there's one aspect of crypto that hasn't changed, it's the excessive capital flowing through primary markets. Many joked that protocols had more attendees at their side-events than actual users, and in some cases, this observation rang uncomfortably true. It wasn't uncommon to see promotional teams in matching outfits distributing QR codes for obscure protocols. This phenomenon seemed particularly prevalent among projects originating from China and Southeast Asia. The seeming disconnect between marketing budgets and actual business profits (if any) was stark. It was an environment that raised serious questions about the sustainability and viability of many projects, particularly amongst investors that we spoke to.

The only saving grace was a growing awareness that this approach is unsustainable (and at times, unethical). Throughout the week, attendees frequently expressed disbelief at the apparent wasteful spending, questioning how protocols could justify such expenditures to their investors. The importance of optics in the crypto space can't be overstated, which makes it all the more perplexing when protocols engage in overtly wasteful marketing tactics. The sight of supercars wrapped in garish protocol-branded vinyl serves as a prime example of marketing gone awry in the crypto world.

2.3 Solana: The Comeback Kid

Solana's resurgence was a prominent theme throughout the conferences. The ecosystem has seen remarkable growth, with onchain activity up almost 1,900% year-over-year. This surge in activity is complemented by increasing institutional adoption, as evidenced by the various partnership announcements at Breakpoint from Franklin Templeton, Securitize (tokenisation partner for BlackRock's BUIDL), and Société Générale's SG Forge.

The ecosystem's financial health is also noteworthy, with projects built primarily on Solana announcing \$173mm in fundraising in Q3 2024, the highest since Q2 2022. This financial influx, coupled with growing institutional interest, signals strong confidence in Solana's future.

Even in the realm of social finance, Unlonely's recent announcement to migrate from Base to Solana indicates growing momentum for the ecosystem beyond the common DeFi or meme trading use cases. At Solana Breakpoint 2024, discussions were notably centred on specific topics and products. There was a strong emphasis on building practical applications within the Solana ecosystem, signalling a shift from theoretical discussions to tangible development.

Infrastructure improvements like Firedancer (explored more below) and network extensions were key topics, but always contextualised within their potential to enhance applications. This holistic approach to ecosystem development seems to be paying dividends for Solana. A standout characteristic of Solana builders is their reliance on demos and working products. In an industry often criticised for overpromising and under-delivering, this focus on functional prototypes and real-world applications was refreshing.

(2.3.1) The Ethereum vs. Solana Showdown: A Tale of Two Cultures

The cultural divide between Ethereum and Solana emerged as a fascinating subplot of the conferences. These two major ecosystems in the crypto space represent starkly different approaches to blockchain development and community building.

Ethereum's culture is characterised by a research-first approach and deliberate execution. It's an ecosystem that values thorough analysis and consensus-building, often at the expense of speed. Solana, conversely, embodies a "move fast and innovate" ethos, prioritising rapid development and practical applications. This difference is evident in their respective events as well. Ethereum conferences tend to have an academic flavour, featuring in-depth technical discussions and theoretical debates. Solana events, by contrast, attract a more diverse crowd of developers, users, and entrepreneurs, with a focus on practical demonstrations and user experience.

Both approaches have their merits and drawbacks. Ethereum's careful, research-heavy approach may reduce the risk of catastrophic failures but can lead to slower innovation. Solana's rapid development philosophy drives quick innovation but may result in more frequent technical issues. Perhaps the most intriguing aspect of this cultural divide is the difficulty in changing these established paradigms. Once set, these cultural norms become deeply ingrained in their respective ecosystems, influencing everything from development practices to community expectations.

(2.3.2) Firedancer: Solana's New Performance Enhancer

Firedancer, Solana's new validator client, was a hot topic at Breakpoint. Developed by Jump Crypto, Firedancer hit the Solana testnet on September 20, 2024. It's an independent validator client written in C, which is a fancy way of saying it's built for speed.

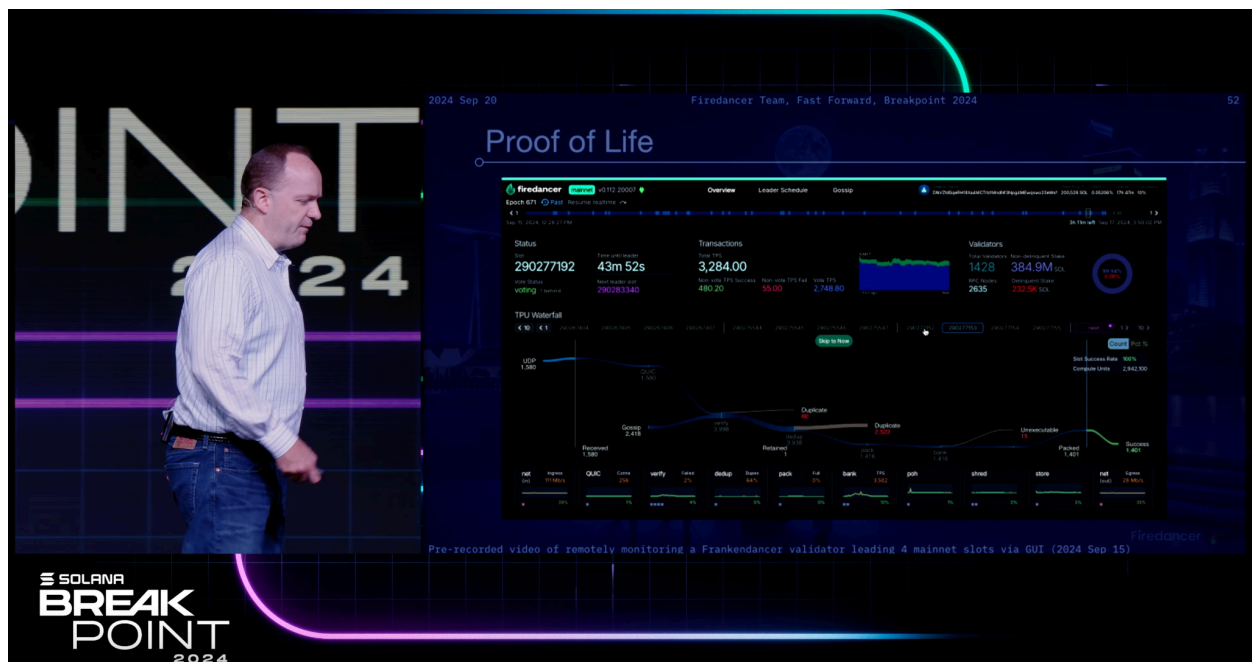
But here's where it gets interesting: a slightly more performant version of the Agave client, or a lite version of Firedancer, called "Frankendancer" is already live on the Solana mainnet. The announcement by Jump Trading's Chief Scientist Kevin Bowers at Breakpoint was met with applause and cheering (Figure 3). This Frankendancer is a hybrid, combining Jump Crypto's Firedancer tech with the existing Agave validator code and is already contributing to 1% of the network's "proof-of-life" stake, which is crypto-speak for "it's actually doing something useful."

The ambition behind Firedancer is nothing short of audacious – aiming to boost Solana's performance from its current 3,000 transactions per second to a mind-bending 1 million TPS. Will it work? Who knows. But it's the kind of moonshot thinking that keeps crypto interesting.

Beyond raw speed, Firedancer is supposed to beef up Solana's decentralisation by introducing client diversity. It's like adding more cooks to the kitchen, but instead of making a mess, it actually makes the meal better. By having multiple validator clients, Solana reduces the risk of a single point of failure. Jump Crypto is promising a fully independent Firedancer validator by the end of 2024. Meanwhile, Solana co-founder Anatoly Yakovenko is dangling the possibility of removing Solana's "beta" status once Firedancer is fully operational.

The Solana community and the broader crypto community (at least excluding the Solana haters) is buzzing about this. And why wouldn't they be? With recent network stats showing an average of 38.6 million successful transactions over the last 90 days and an average fee of just \$0.0188 per transaction, Solana is already punching above its weight. If Firedancer delivers on its promises, it could be a game-changer not just for Solana, but for the entire blockchain space.

Figure 3: Jump Trading Chief Scientist Kevin Bowers presenting at Breakpoint 2024



Source: Solana on YouTube

2.4 Bonus Round: The Crypto Conference Buzzwords

No crypto conference report would be complete without mentioning the projects and concepts that dominated discussions - here is a list of chains/protocols/projects/sectors/buzzwords that were also regularly mentioned throughout the week in Singapore:

- Berachain / Monad: These projects were frequently mentioned, indicating significant interest from the community. Comments ranged from positive excitement to negative criticism regarding their lack of deliverables despite how much they have raised from VCs.
- SUI: Another blockchain project promising innovative solutions and recently outperforming its peers in price action.
- Hyperliquid: This project has gained a cult-like following, filling the perp DEX void left by GMX in the bear market.
- AI: While still a hot topic, conversations around AI in crypto have tempered compared to earlier in the year, suggesting a more realistic assessment of its near-term applications.
- "Asia Leading the Charge": Asia's prominence in driving crypto innovation and adoption was a recurring theme.
- Chain Abstraction: This concept continues to be discussed as a potential solution for onboarding retail users to crypto.
- Meme Coins: The evolution of meme coins towards more sophisticated and centralised models was notable, marking a shift from their grassroots origins.
- DePIN/RWAs: Seems to be the chosen sector among the VC cabal as the current narrative.

3. The Final Word: What Does It All Mean?

As we conclude our analysis of the latest crypto conferences in Singapore, it's clear that the industry is at a pivotal juncture. The cautious optimism we're witnessing signals a shift towards maturity and excitement for the future despite various potential headwinds. We're seeing a gradual move away from the "number go up" mentality towards more nuanced discussions about utility, sustainability, and real-world impact. The excessive spending in primary markets remains a concern, but the growing awareness and criticism of this trend suggest a collective realisation that such practices are unsustainable. It's an encouraging sign that the industry is beginning to recognise the importance of self-regulation and to prioritise substance over spectacle.

Solana's resurgence and the excitement surrounding projects like Firedancer demonstrate that innovation continues to thrive. It's a reminder of the crypto industry's resilience and capacity for reinvention. The cultural divide between Ethereum and Solana encapsulates a broader debate in tech: the trade-off between speed of innovation and thoroughness of research. As the industry evolves, finding a balance between these approaches will be crucial, and it will be vital for Ethereum to regain its confidence in its own identity.

The proliferation of new projects and buzzwords, while potentially overwhelming, is indicative of a vibrant ecosystem. While many will inevitably fail, this constant experimentation is the crucible of innovation. Ultimately, these conferences have shown that the crypto industry, despite its challenges, remain dynamic and forward-looking. It's adapting, evolving, and gradually carving out its place in the broader financial and technological landscape. The path ahead is likely to be complex and unpredictable, but it's this very nature that continues to draw innovators, investors, and visionaries to the space. As we look to the future, it's clear that the crypto journey is far from over. These conferences have provided valuable insights into

the current state of the industry and hinted at the exciting developments that lie ahead. Stay tuned, as the next chapter in crypto's evolution promises to be as fascinating as it is impactful.

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