DELPHI CONSULTING

JUNE 2026

State Of Token Markets

Fixing The Issues Plaguing Token Issuance And Token Markets

Table of Contents

Authored *By*

Neel Daftary
X: 0xdaft

Ashwath Balakrishnan
X: ashwathbk

SECTION 1

The Cycle That Wasn't

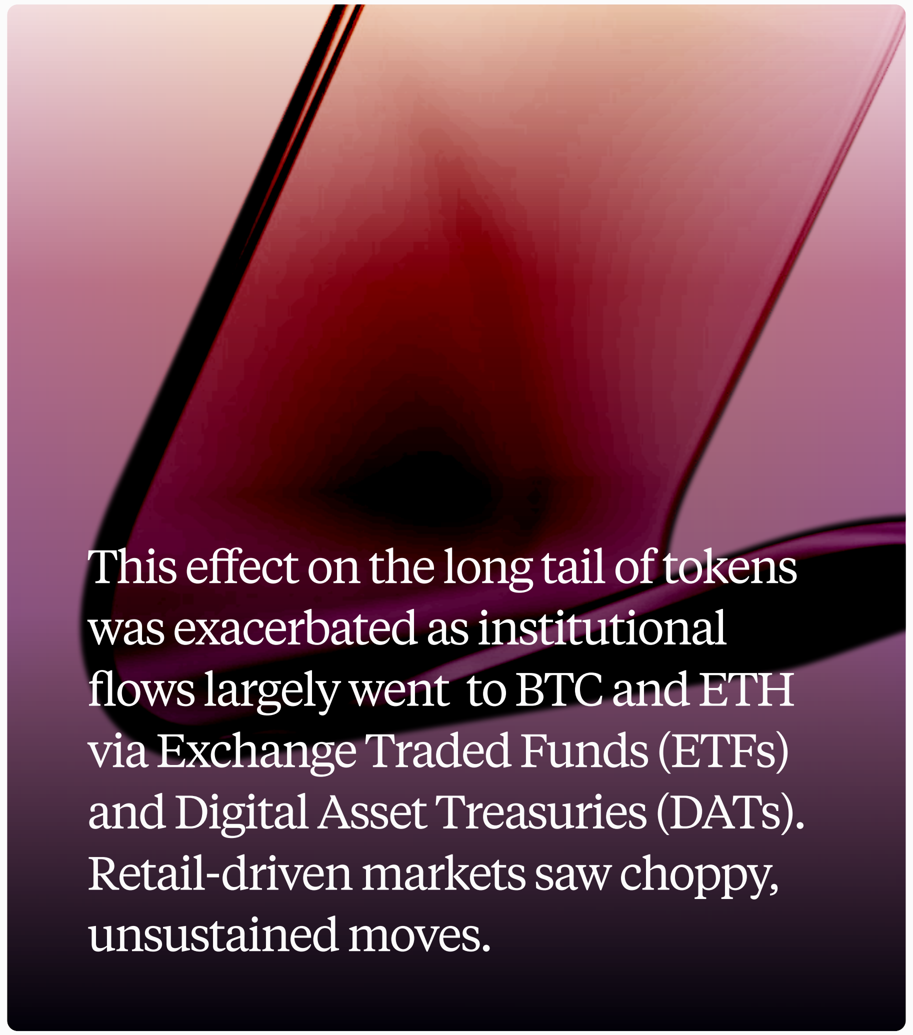
Altcoins Never Reclaimed Their 2021 Highs

2024–25 saw its share of mania, but it was an incredibly dilutive period for token markets. The picture five years past the 2021 peak isn’t one of fragmentation across millions of tokens as many expected. It's rather hyper-concentration at the top. Capital and attention arrived, prices moved in short violent bursts, and belief dissolved as quickly as it ignited.

Of the tens of millions of tokens minted this cycle, only 1700 tokens (well under 0.01%) still generate ≥$250K of average daily spot DEX volume. While there is concentration of flows into the top 100 tokens, the real problem for investors is the velocity of the churn in the longer tail of assets. The average half life of a newly launched token has diminished, and is an active factor for capital flows concentrating into a handful of assets.

Total Altcoin Market Cap *(Excluding BTC, ETH And Stablecoins)*

Figure: Total altcoin market cap (excl. BTC & ETH). The 2021 ATH remains unbroken despite multiple rally attempts. | Source: TradingView



This effect on the long tail of tokens was exacerbated as institutional flows largely went to BTC and ETH via Exchange Traded Funds (ETFs) and Digital Asset Treasuries (DATs). Retail-driven markets saw choppy, unsustained moves.

A Holder's Nightmare: Death By A Thousand Cuts

Of the major token launches backed by venture capital this cycle, most are trading below their launch price. The worst are down over 90%. The pattern is evident.

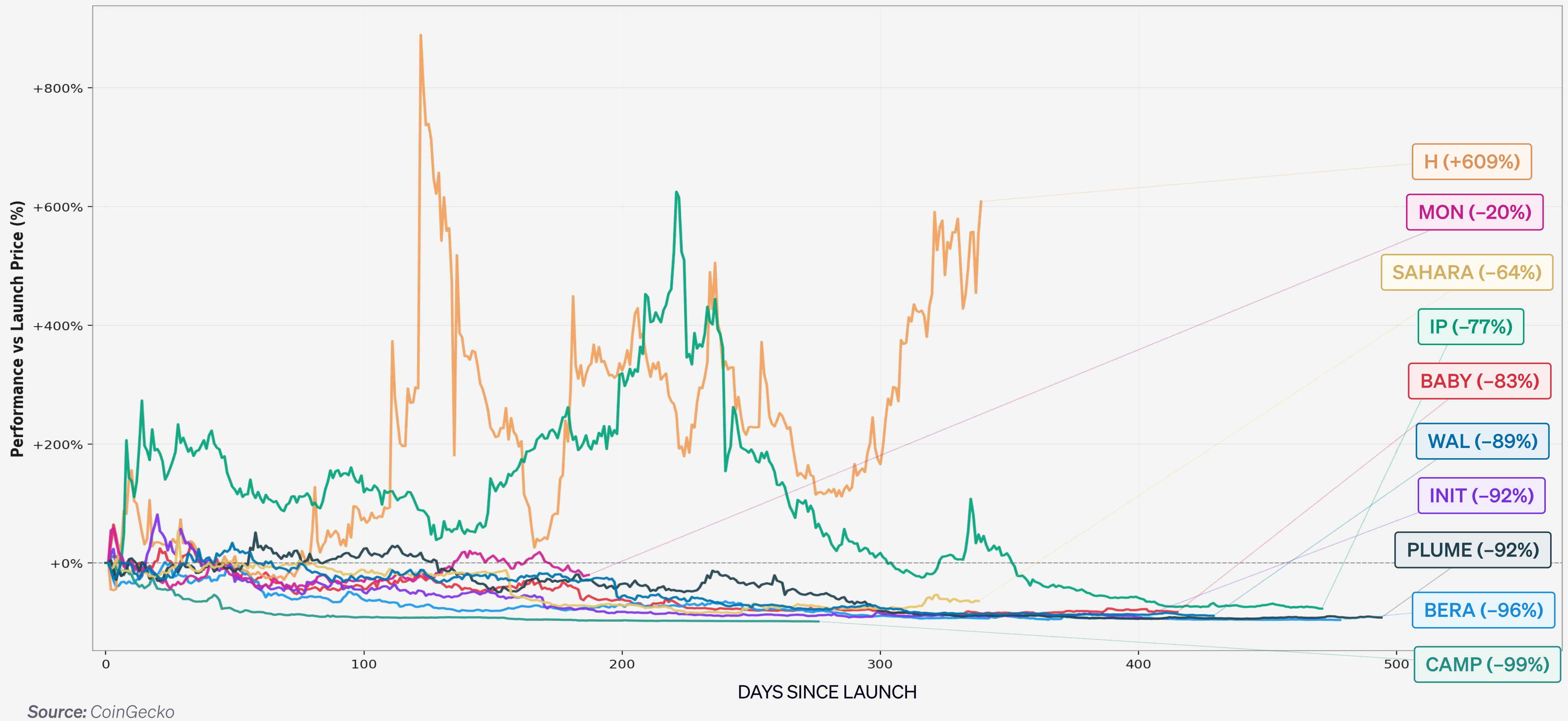
Tokens experienced a brief spike in the initial days before entering a slow decline that converged toward the same destination: -80% or worse. The initial pop rewarded insiders, airdrop farmers, and short-term traders. Everyone else holds a depreciating asset with no floor.

KAITO, BERA, WAL, LINEA, PLUME were all highly anticipated launches from well-funded teams that ultimately succumbed to gravity of token prices.

There has been no natural buyer on the other side. Holders have no claim on revenue, no governance power worth exercising, and no mechanism to enforce accountability. The token is a vehicle for distribution from insiders to the public - not a share of future value creation.

The mechanics are structural. Tokens often launch at inflated FDVs set in private rounds, with minimal circulating supply. Early trading creates a brief window of price discovery before scheduled unlocks and airdrop sellers flood the market with sell pressure.

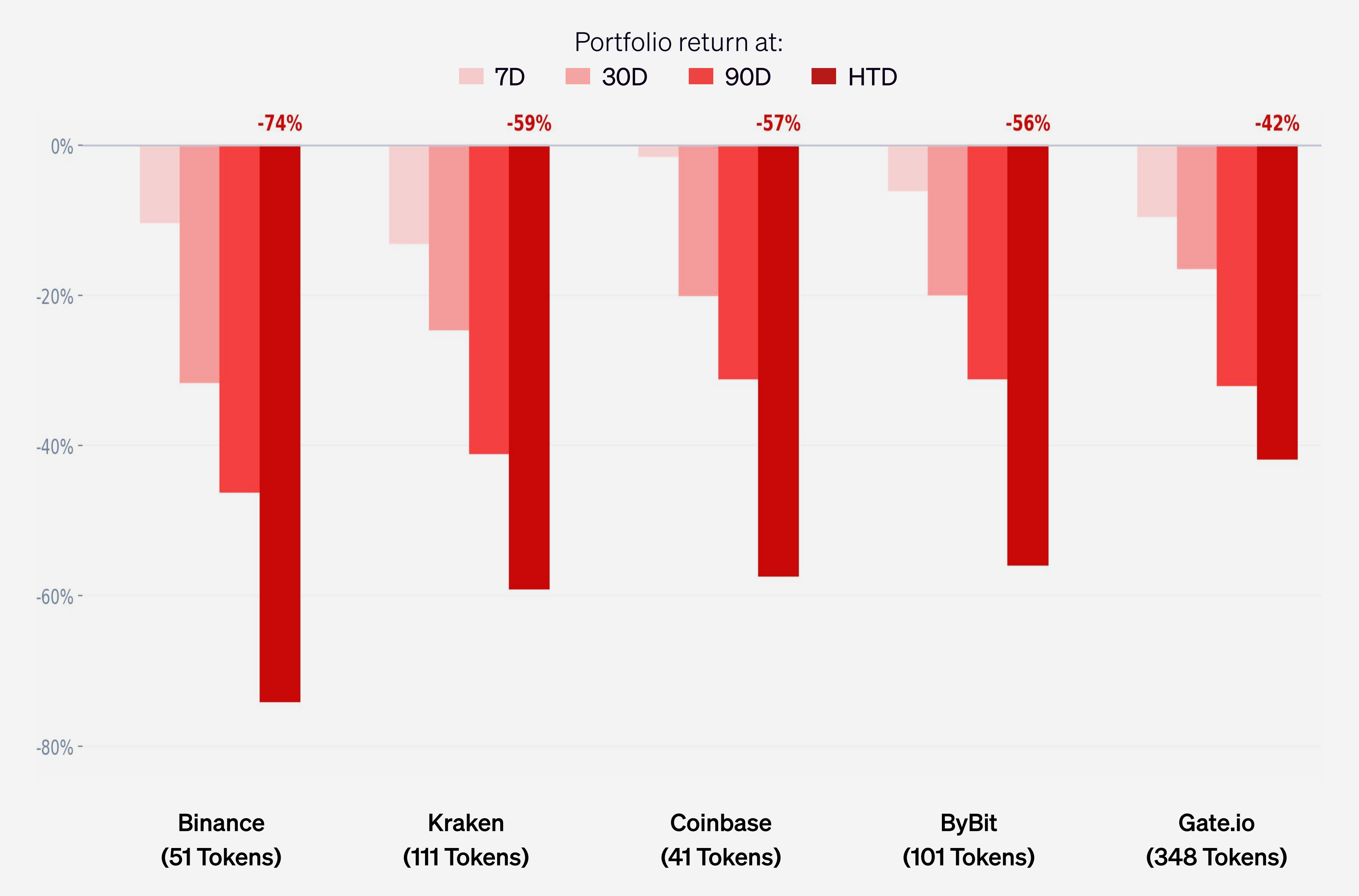
Token Performance Since Launch – Normalized



Source: *CoinGecko*

Across CEX Listings In 2025: Retail Kept *50 Cents* On The Dollar

$1,000 invested per token at listing across Binance, Bybit, Coinbase, Gate.io, Kraken. 652 token-listings from Jan 2025 onward (HTD - Held till May 29).



$329K

destroyed.

of $652,000 invested buying every listing on analyzed CEXs from Jan 2025 onward.

12% win rate at HTD

52% of listings lost more than 80%

−82% median token return

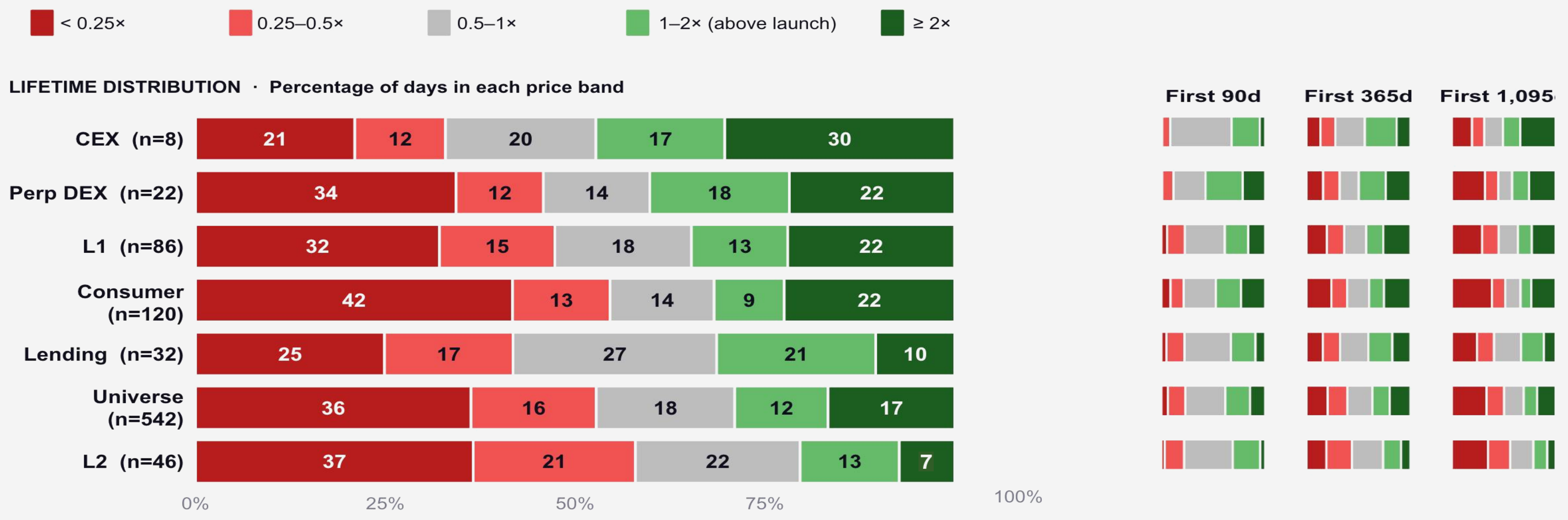
Gate.io listed 348 tokens — more than Binance, Bybit, Coinbase, and Kraken *combined*.

88% of them lost money at HTD. Volume without curation was the dominant business model of CEX listings this cycle.

Returns computed from CoinGecko daily closes on each venue's listing date. NIZA excluded from Gate.io; 26 token-listings retained at last-observable price.

Most Tokens Spend Their Lifetime Below Launch

A cohort's lifetime distribution and how it got there.



CEX gains time above launch.

+15pp from 90d to lifetime. The only cohort that improved with time.

L2s spend 80% of life below launch.

Just 20% of trading days at or above launch, the lowest of any cohort.

Consumer Crypto is bimodal.

42% of lifetime at –75%+, but 23% above 2× is a lottery-ticket like distribution.

***Source:** CoinGecko. n = 542 tokens launched Jan 2020 onwards. Bands measure share of days a token traded in each price range vs launch FDV. Equal-weighted across tokens.*

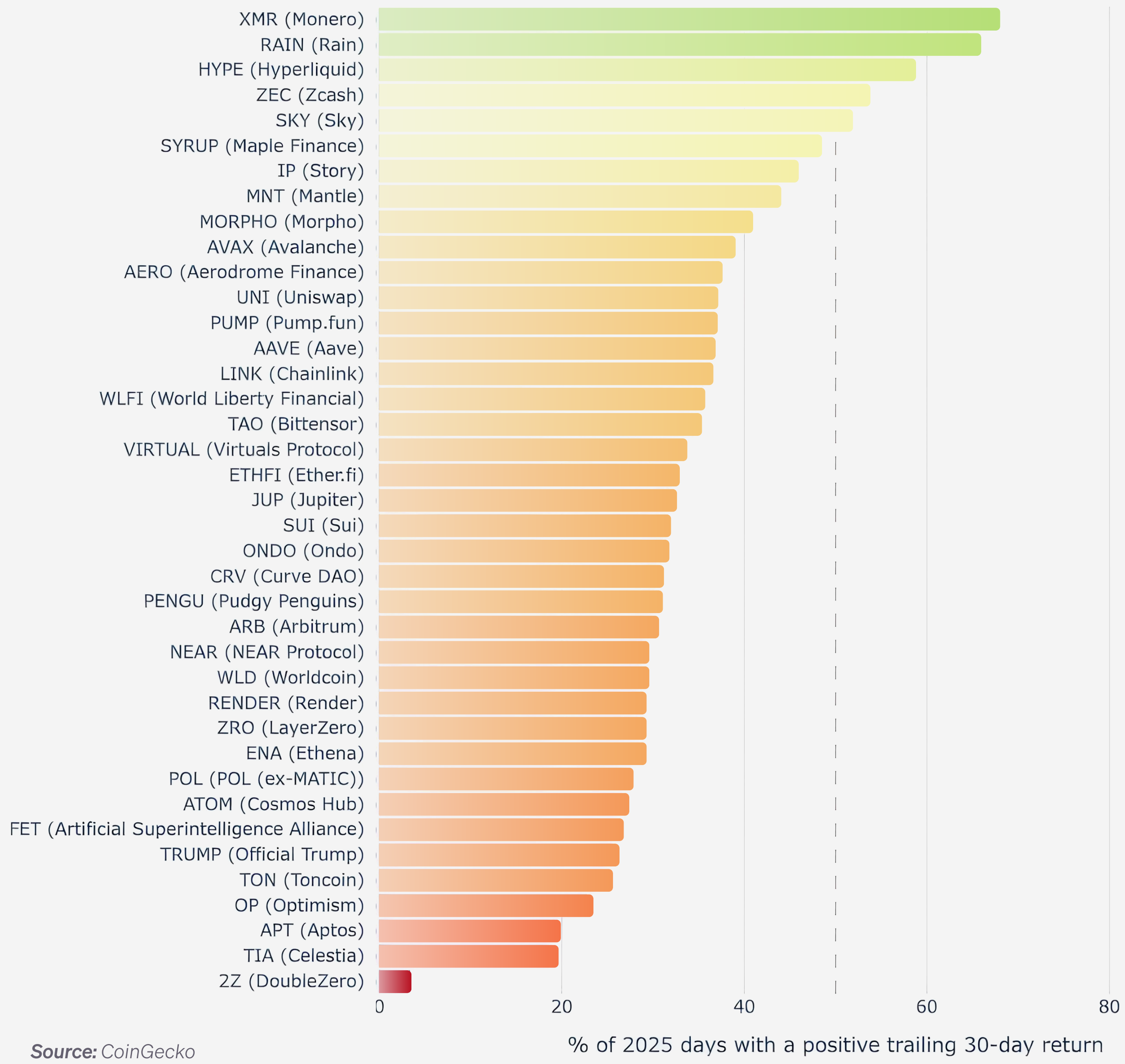
The 30-Day *Regret* Test

For most tokens this cycle, waiting beat holding. Each bar shows the share of 2025 days where the token closed above its price from 30 days earlier. A token at 25% was up on a monthly basis only a quarter of the year: three days out of four, buyers would have done better to wait.

The pattern at the bottom is brutal: OP, APT, and TIA cleared their 30-day price on fewer than 1 in 5 days, a near-perpetual grind with no sustained reversal. Even cash-flow positive protocols like AAVE, UNI, and LINK only managed ~35%, meaning fundamentals alone didn't save holders.

What sits where is more telling than the spread itself. The top is dominated by tokens that had a structural reason to hold: privacy plays (ZEC, XMR) and revenue-linked mechanisms (HYPE, SKY).

The market was sorted along a clean axis: tokens with a buyer on the other side of sell pressure, and tokens where existing holders were the only bid. The regret chart is what that asymmetry looks like.

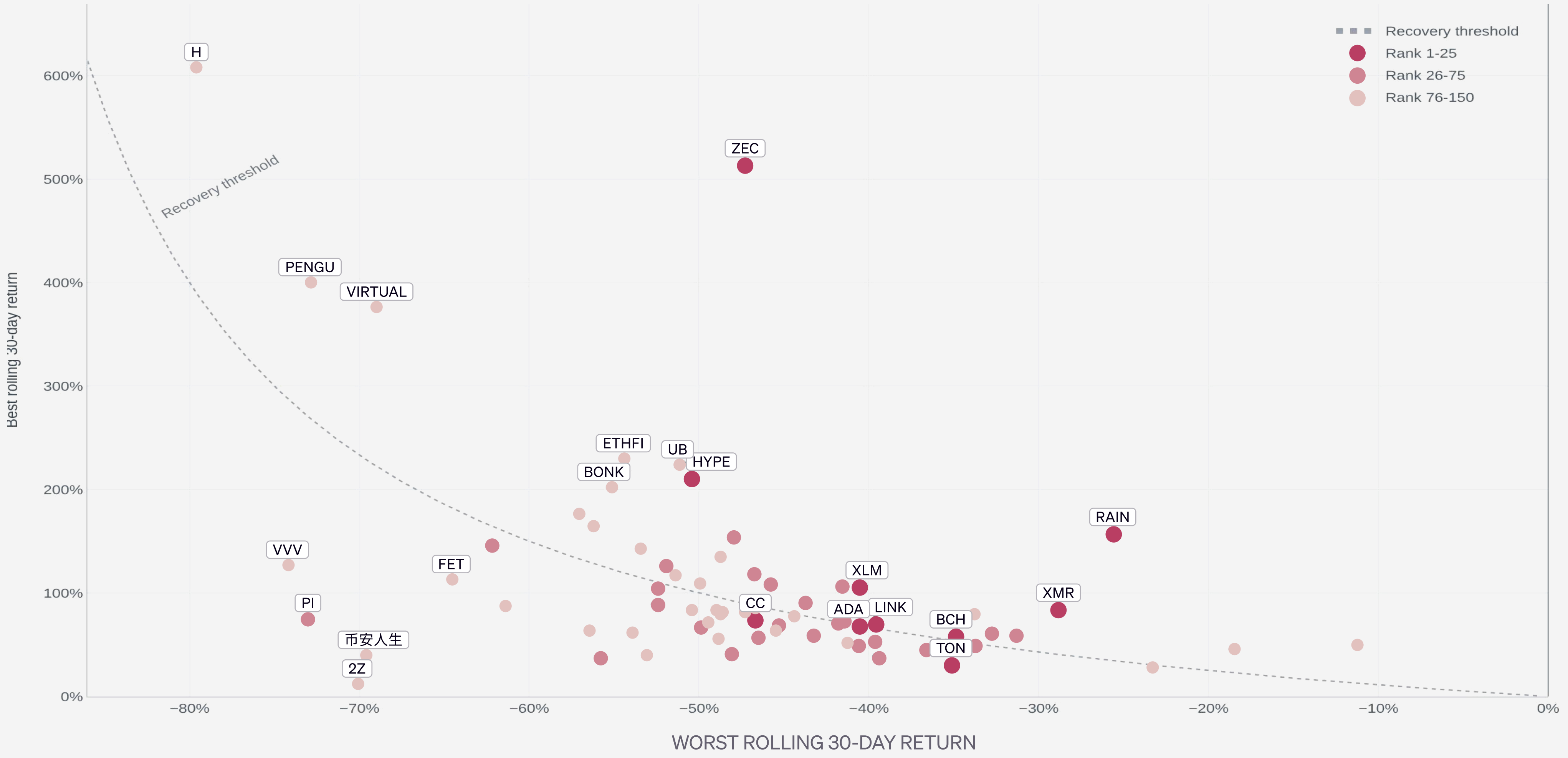


Source: *CoinGecko*

Sectoral Rotation & Who Survived

Rolling 30-Day Upside Vs. Drawdown Across Crypto Assets

Best and worst rolling 30-day USD returns, Jan. 1–Dec. 31, 2025



Universe shown: *71 tokens; CoinGecko ranks #11–#149, exclusions applied.*
Source: *CoinGecko and local daily close price history. Returns computed on rolling 30-day windows; late-2024 prices are used only as lookback for early-2025 returns.*

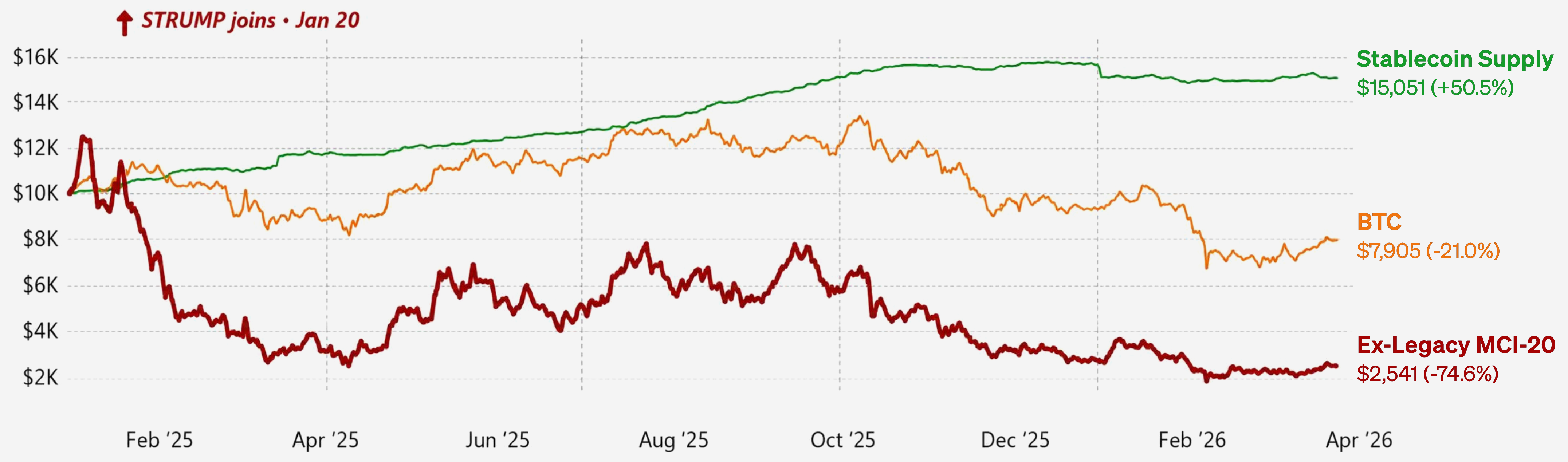
Nearly every token in the top-150 had at least one +40% to +100% month during 2025. The opportunities existed; they just ***never compounded for holders*** *to benefit. What separated majority of the winners from the wreckage wasn't sector, narrative, or timing. It was whether the protocol generated revenue and what they did with said revenue.*

How Memecoins Succumbed To Prevailing Market Dynamics

With utility tokens structurally broken, the previous cycle kicked off with capital flowing into memes; the one category that promised fair launches, full circulating supply, and no insider unlocks. For a brief window, the thesis worked.

But the category developed issues of its own. *Bundled supply* let insiders quietly accumulate at launch. Sniping bots frontran public buyers within milliseconds. Influencer callouts, coordinated pumps made the category indistinguishable from other bad practices in token design. The peak coincided with the launch of *$TRUMP in January 2025*, the moment of maximum cultural attention and the inflection point for collapse. The Memecoin-20 Index is down ~75% since and 64 weekly rebalances across dozens of tickers couldn't reverse the slide.

Weekly rebased scores across dozens of tokens couldn't reverse the slide.



Q1 '25 -68%
3 in · 3 out
\+ AIC · CHEEMS · TRUMP
– AIXBT · BOME · GOAT

Q2 '25 +61%
3 in · 3 out
\+ B · TOSHI · USELESS
– AIC · GIGA · SNEK

Q3 '25 +14%
6 in · 7 out
\+ AIC · LION · M · REKT · TIBBIR · SNEK
– BABYDOGE · MEW · CHEEMS · DOG · PNUT · POPCAT · USELESS

Q4 '25 -52%
4 in · 4 out
\+ APEPE · 币安人生 · CHEEMS · PIPPIN
– AIC · MOG · REKT · SNEK

Q1 '26 -15%
4 in · 4 out
\+ BAN · MELANIA · SIREN · GREAT
– BRETT · 币安人生 · TOSHI · TURBO

SURVIVORS · ALL 6 SNAPSHOTS

6 names held continuously since Jan '25

BONK · WIF · FARTCOIN · FLOKI · PEPE · SPX

ROUND-TRIPPERS · ENTERED AND EXITED IN 2025

12 names of pure churn

GIGGLE (1wk) · **MGG** (1wk) · **FO** (1wk) · **DORA** (2wk) · **MOODENG** (2wk) · **NEIRO** (2wk) · ...

Methodology: *Top-20 by mcap, weekly rebalancing, 8% cap per meme excluding Doge and Shib*

Source: *Delphi Digital · CoinGecko*

SECTION 2

What Broke Token Markets

The TRUMP Effect On Memecoin Markets

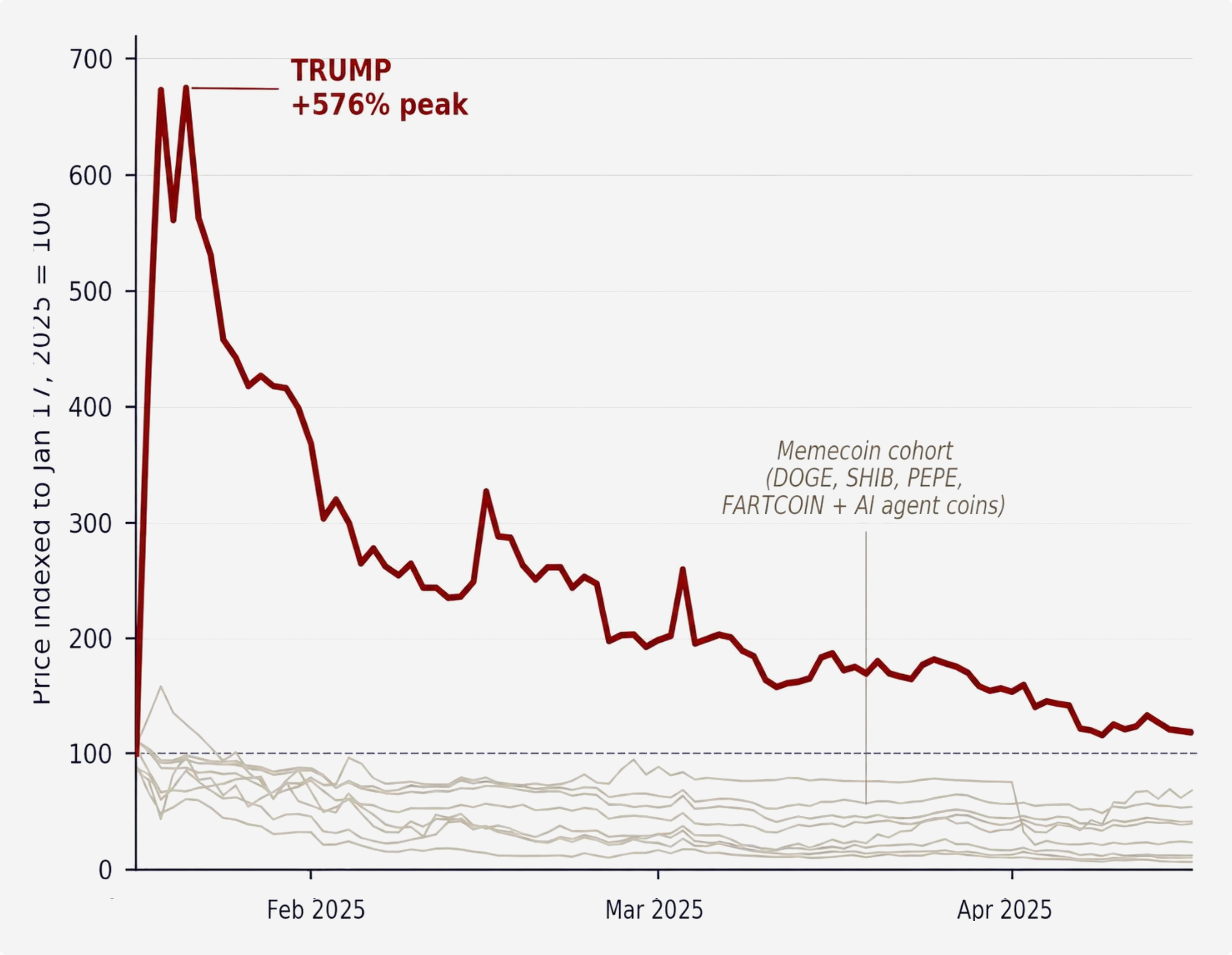
The launch of TRUMP was a marquee moment.

Then President-elect, Donald Trump, was a few days away from being sworn into office. And his team launched a memecoin.

While a cultural win for crypto, the launch sucked all the air out the room. For a brief window, TRUMP was all anyone wanted to hold on Solana. And every other asset from DeFi coins to memecoins were squeezed by market participants for liquidity, causing a massive cascade in everything but TRUMP.

By Apr. 2025, the majority of memecoins were trading 35–95% below their Jan. 17 baseline. When the tide shifted on TRUMP, sentiment had changed, and that liquidity did not find its way back into memecoin markets.

Between the oversupply of memecoins on the back of the faintest narrative and the seminal TRUMP launch, this marked the top for memecoins.

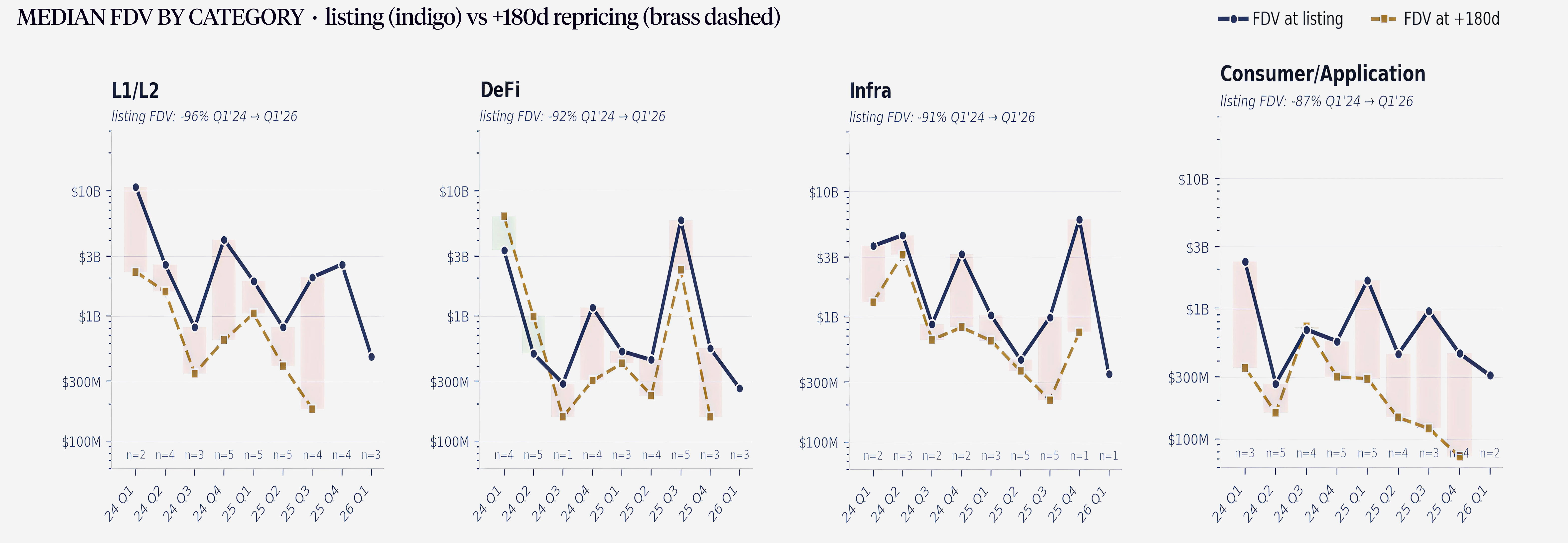


Source: *Coingecko. All tokens referenced have been indexed to 100 on Jan 17, 2025*

Launch Prices Fell *Eighty Percent*. But Not Enough?

We selected the largest launches in each category by FDV at listing, quarter by quarter. Across this cohort, the median launch FDV fell **over 85% from Q1 2024 to Q1 2026**. And the repricing didn't stop at listing. Across categories, tokens generally lost a further 30–80% vs its listing price in the six months after TGE, often at valuations that were already cheaper than prior launches in the category. *The market is repricing tokens faster than they can be launched.*

MEDIAN FDV BY CATEGORY · listing (indigo) vs +180d repricing (brass dashed)

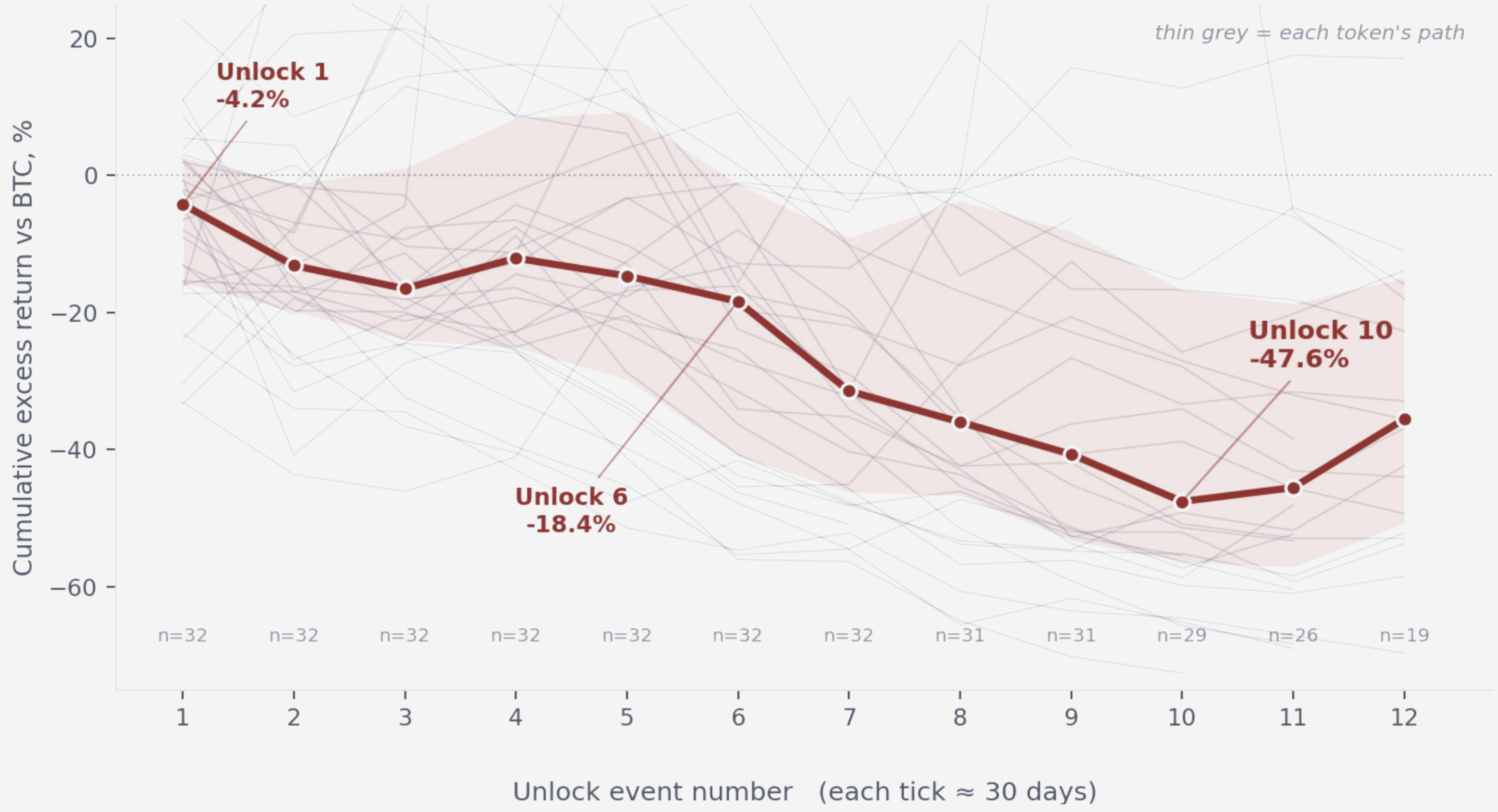


131 tokens across 4 categories · top 3-5 launches per quarter by FDV at listing · Q1 2024 – Q1 2026 · ***Source:*** *CoinGecko + Tokenomist · As of 24 Apr 2026*

Every Month, The Token *Loses*.

Across 400+ unlock events spanning 33 tokens, unlock events erase **–7% excess return vs BTC** in the three-week window surrounding the unlock. 28 of 33 tokens underperform BTC across **all unlocks**. The monthly cadence makes this structural: the next unlock arrives before the market can absorb the last. Subsequent unlock events usually occur within 30 days. There is no recovery window. The pattern *compounds*.

MEDIAN CUMULATIVE EXCESS RETURN vs BTC, across successive monthly unlocks



Sources: *Coingecko, Tokenomist*

THE PATTERN, PER TOKEN

28 / 33

tokens show negative average underperformance vs BTC return per unlock event.

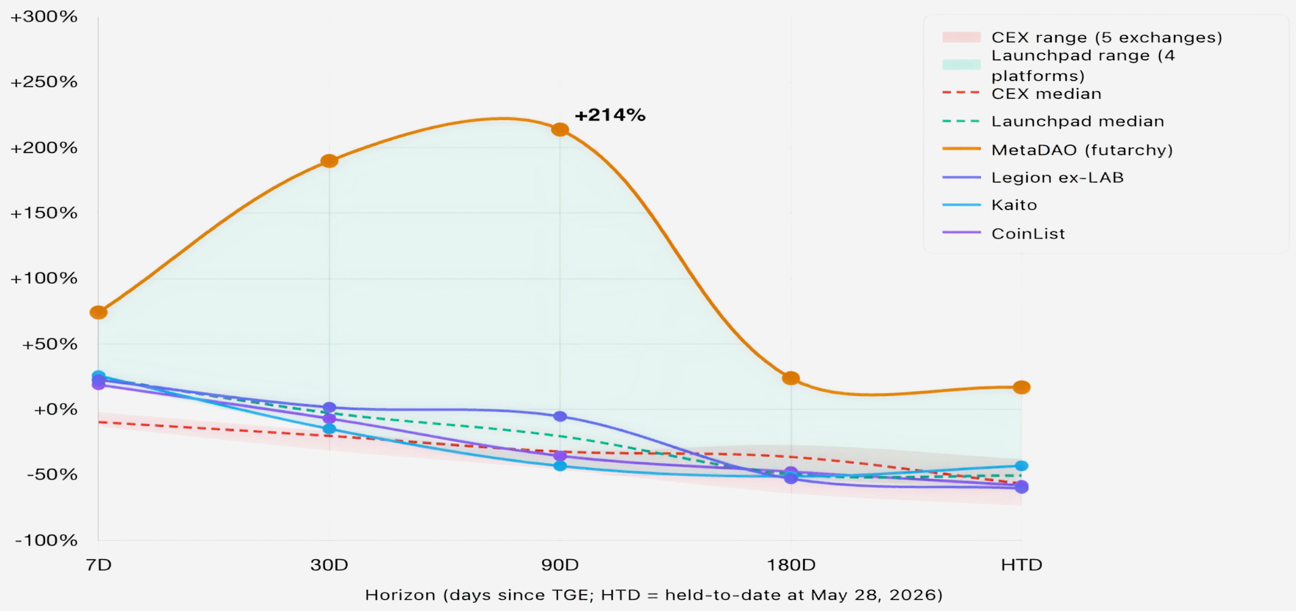
WORST COHORT MEMBERS · median excess, T–7d → T+15d

PEAQ	*n=11*	-19.8%	*73% neg*
VENOM	*n=12*	-18.6%	*75% neg*
W	*n=14*	-15.6%	*93% neg*
ZK	*n=10*	-15.1%	*80% neg*
ANIME	*n=11*	-12.0%	*55% neg*

The problem isn't the unlock. The problem is that the *next one* **is thirty days away.**

On Launchpads, Retail Bought *With* Insiders.
On CEXs, They Bought *From* Them.

Four onchain launchpads (55 tokens) vs. 5 CEXs (652 tokens). Comparing portfolios with different holding periods (HTD - Held till May 29).



Sources: *Delphi, Messari, Coingecko*

The pump belongs to whoever buys at sale price.

At 7 days, every launchpad cohort is in the green. Every CEX cohort is already underwater.

By 180 days, three of the major launchpads have bled toward CEX territory. Curation alone wasn't enough.

MetaDAO is the exception. Futarchy based treasury governance makes investor protection a possibility. Ranger holders voted to unwind the treasury and received **$0.822 back on a $0.80 sale**. That's a floor no CEX listing has.

Venue	*Tokens*	*7D*	*30D*	*90D*	*180D*	*HTD*
MetaDAO	9	+74%	**+190%**	**+214%**	**+24%**	**+17%**
Legion	17	+23%	+2%	-5%	-53%	**-60%**
Kaito	14	+26%	-15%	-43%	-51%	**-43%**
CoinList	15	+19%	-7%	-35%	-47%	**-58%**
CEX Range	652	-13% to -2%	-32% to -16%	-46% to -31%	-64% to -27%	**-74% to -38%**

Launchpad cohort: *55 tokens across Legion, CoinList, Kaito, MetaDAO. Legion's portfolio is excluding LAB as it materially influences portfolio returns across timeframes; and has been a clear case of market manipulation.*

Are Airdrops As We Know Them Over?

5 Years • 6 Tokens • Across 3.7M Wallets

Why this gets worse, not better

1 THE COST OF SYBILLING APPROACHES ZERO

Sybil farming used to require human-time-equivalent effort. In an agentic internet, wallet creation, behavioral mimicry and qualification farming collapse to an API call. Filters built on "looks organic" stop working when the intelligence used to evade detection is the same intelligence used to detect it.

2 THE NEXT GENERATION OF ISSUERS WON'T AIRDROP

Tokenized treasuries, stablecoin issuers, RWA platforms, TradFi institutions building onchain have neither the cap-table flexibility nor the legal appetite to send tokens to tens of thousands of anonymous wallets. The fastest growing segments in crypto could likely be airdrop-free.

3 THE CAC MATH BECOMES INESCAPABLE

ARB: 1.162B tokens × \$1.18 opening price × 84.5% dumped at 30d = ~\$1.16B paid to users who left within a month. Maturing crypto treasuries will refuse to fund the worst CAC channel in software history.

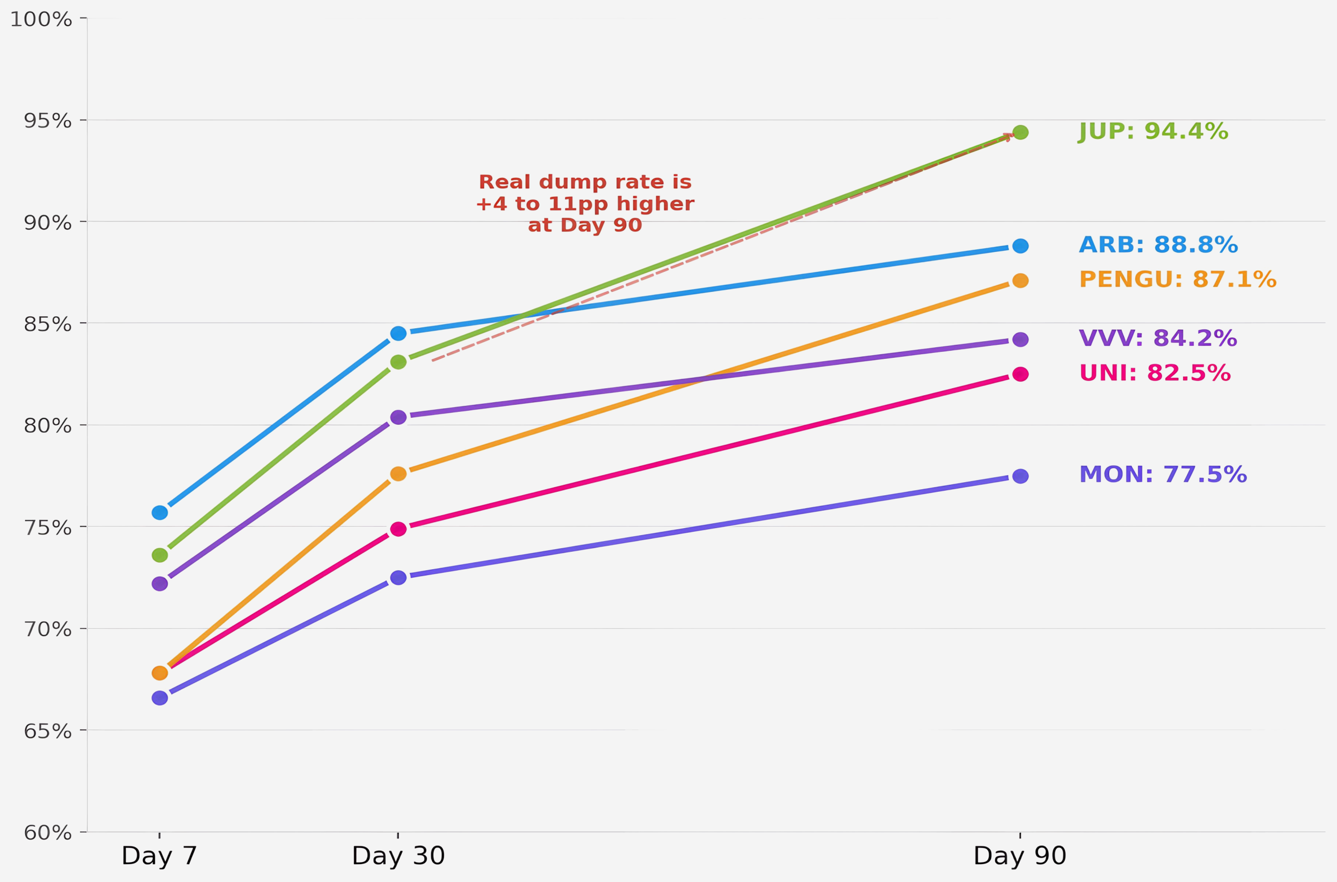
4 THE OUTLIERS ARE COINCIDENCES, NOT DESIGNS

MON held because a large slice of recipients also bought the Coinbase ICO at the same valuation, anchoring price expectations. Hyperliquid held because real revenue funded sustained buybacks. Jito held because the eligible cohort was sub-10k wallets, small enough to escape industrial farming. None of these can be productized, they only happen when stars align.

The 30-day dump rate everyone reports is a lie of omission.

Across UNI, ARB, JUP, PENGU, VVV and MON the dump never stops at day 30. Real exit rates land between 78% and 94% by day 90. Every category, chain, and cycle breed the same outcome.

% Of Airdrop Wallets That Fully Dumped (Sold ≥90% Of Allocation)



Source: *Dune Analytics • Methodology: "Dumped" = wallet sent ≥90% of claimed allocation by snapshot date • 6 tokens, 4 chains, 4 distinct product categories*

Tokens Considered A *Junior* Investment Class.

When a company gets bought, the token gets nothing. Equity captures the value; tokens carry no enforceable claim.

Token holders have historically had little to no investor rights. Teams issue them to raise capital but seldom implement enforceable rights. And this has to change.

When the company gets acquired, equity captures the deal value and the token captures whatever the buyer chooses to give it, which is usually nothing. Until tokens carry enforceable rights, every issuance is a one-way option for the team.

Pump.fun → Padre

Oct 2025

PADRE

–76% on news

Token utility revoked at announcement. Goodwill PUMP airdrop later, but at a fraction of the equity-equivalent value.

SOL Strategies → HoudiniSwap

May 2026 · $18M

LOCK

zero allocation

Cash + shares deal to equity holders. No reference to LOCK in the deal terms. Token holders learned via the press release.

Circle → Interop Labs

Dec 2025

AXL

explicitly excluded

Team and IP go to Circle. Network 'remains independent' under a different contributor. AXL down ~95% over the prior 18 months.

Coinbase / Base → Iron Fish team

Mar 2025

IRON

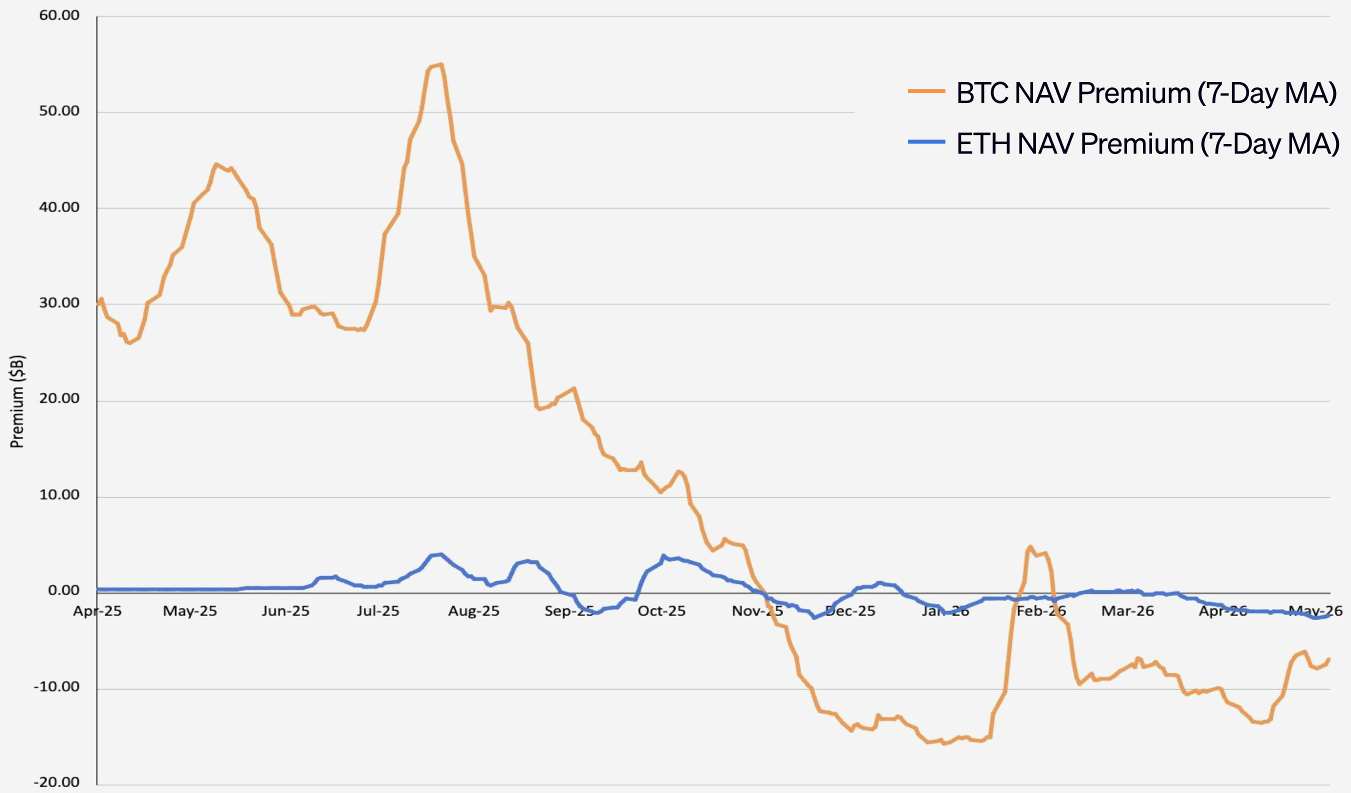
team & tech walked

Acquisition limited to the team and IP. Iron Fish blockchain and IRON token left to the foundation to maintain alone.

Until token rights are enforced, token markets rely on the goodwill of the team to see any fruits from an M&A deal.

The DAT Premium Vanished. *Strategy Was The Only Survivor.*

Of $104B held across 59 pure-play DATs, Strategy alone holds $63B. The other 58 trade at a median 0.81x mNAV.



Aggregate market cap less the value of crypto help. ***Source:*** *Blockworks*

DAT	*Asset*	*Cost*	*Mcap mNAV*	*FD EV mNAV*	*Unrealised*
Strategy	BTC	$75,537	0.94x	1.11x	+$1.1B (+2%)
BitMine	ETH	~$3.7-4.0K	0.86x	0.79x	-$6-8B (-37%)
Twenty One	BTC	$87,280	0.81x	0.88x	-$0.4B (-11%)
Metaplanet	BTC	$104,106	0.91x	0.97x	-$1.1B (-26%)
SharpLink	ETH	~$3,666	0.69x	0.74x	-$1.2B (-37%)
Hyperliquid Strats	HYPE	~$48	1.04x	1.49x	-$0.1B (-11%)
Forward Inds.	SOL	$232.08	0.61x	0.77x	-$1.0B (-63%)
DeFi Dev	SOL	$108.00	0.67x	1.60x	-$0.05B (-22%)

All figures Apr 27, 2026. mNAV from Blockworks; cost basis from company filings.

Premium gone

Median DAT trades at 0.81x mNAV. 36 of 59 below value of crypto holdings. The flywheel that justified equity dilution is broken.

Yield, but no edge

Spot ETH staking ETFs are live (Grayscale ETHE 71% staked). The one structural advantage altcoin DATs had over ETFs is neutralized.

Selling has begun

MARA sold 15,133 BTC in Mar 2026 to retire convertibles. ETHZilla sold $114M ETH across Q4. The deleveraging cycle has started.

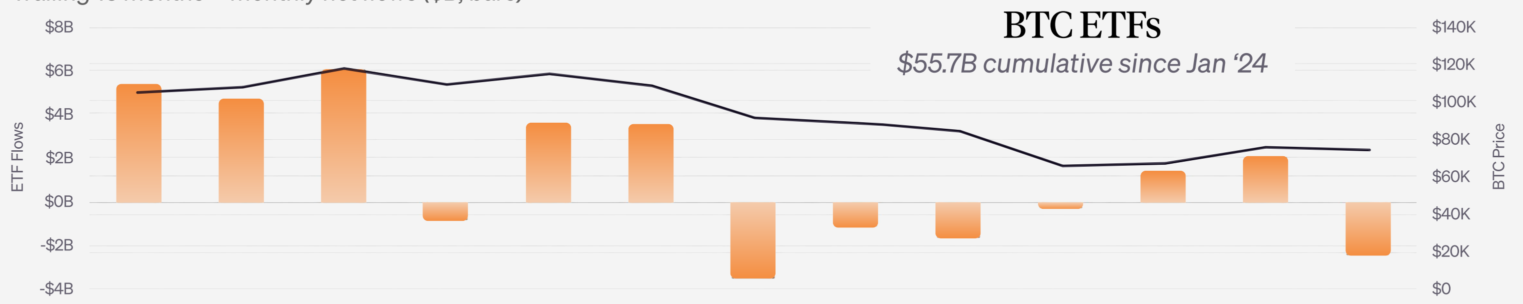
SECTION 3

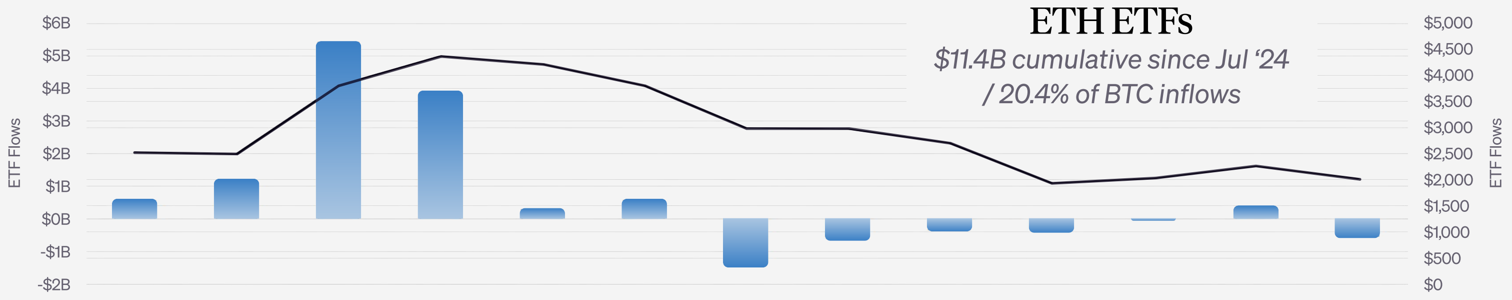
Signs Of Life

$67B In. The Largest Holders Rotated.

ETF flows tracked price through every leg of the cycle. The composition of who's left holding tells the bigger story.

Trailing 13 months · monthly net flows ($B, bars)





The largest hedge funds exited. Long term buyers have stepped in.

IBIT positions · Q4 2024 vs Q4 2025 · **Source: SEC EDGAR 13F filings**

WHO LEFT *(potential basis trade unwinds)*

Brevan Howard — **–27%**
macro hedge fund
peaked Q3 '25 at 42M shares; cut –56% in one quarter
25.6M → 18.6M shares

Tudor Investment — **–72%**
systematic hedge fund
shifted to options-heavy exposure
8.0M → 2.2M shares

Hunting Hill — **–97%**
quantitative hedge fund
near-complete exit · $37M → $1M
0.69M → 0.02M shares

WHO ARRIVED *(capital allocators)*

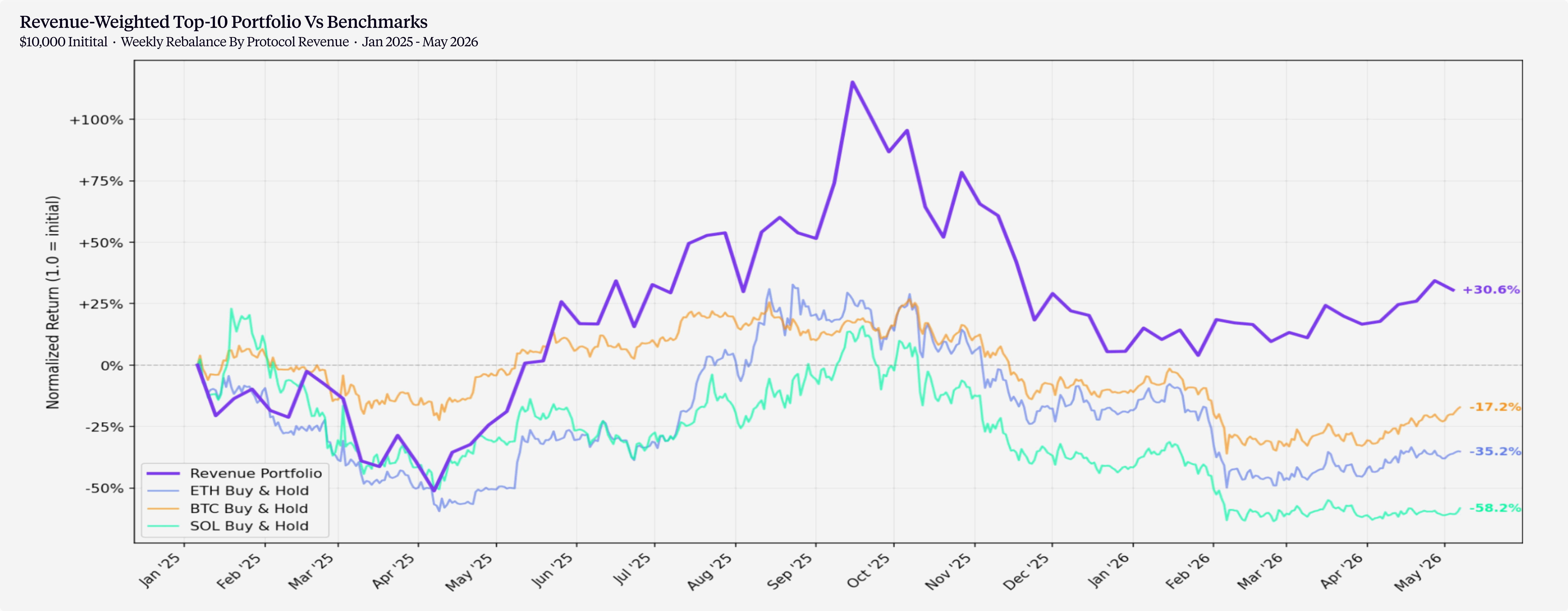
Morgan Stanley — **+177%**
wirehouse / brokerage
advisor channel allocations → model portfolios
4.9M → 13.4M shares

BlackRock — **new**
issuer self-allocation
no Q4 '24 13F position; built to 13.0M by Q4 '25
0 → 13.0M shares

Mubadala / Abu Dhabi — **+54%**
sovereign wealth
+46% in Q4 '25 alone · Harvard endowment also entered
8.2M → 12.7M shares

Aggregate institutional IBIT holdings rose +62% YoY (380M → 616M shares). Broker-dealers +81%, advisors +204%, sovereigns and endowments +228%. ETFs drew the patient bid that compounded through drawdown. DATs, trading sub-1x mNAV, drew the leverage trade that has now collapsed.

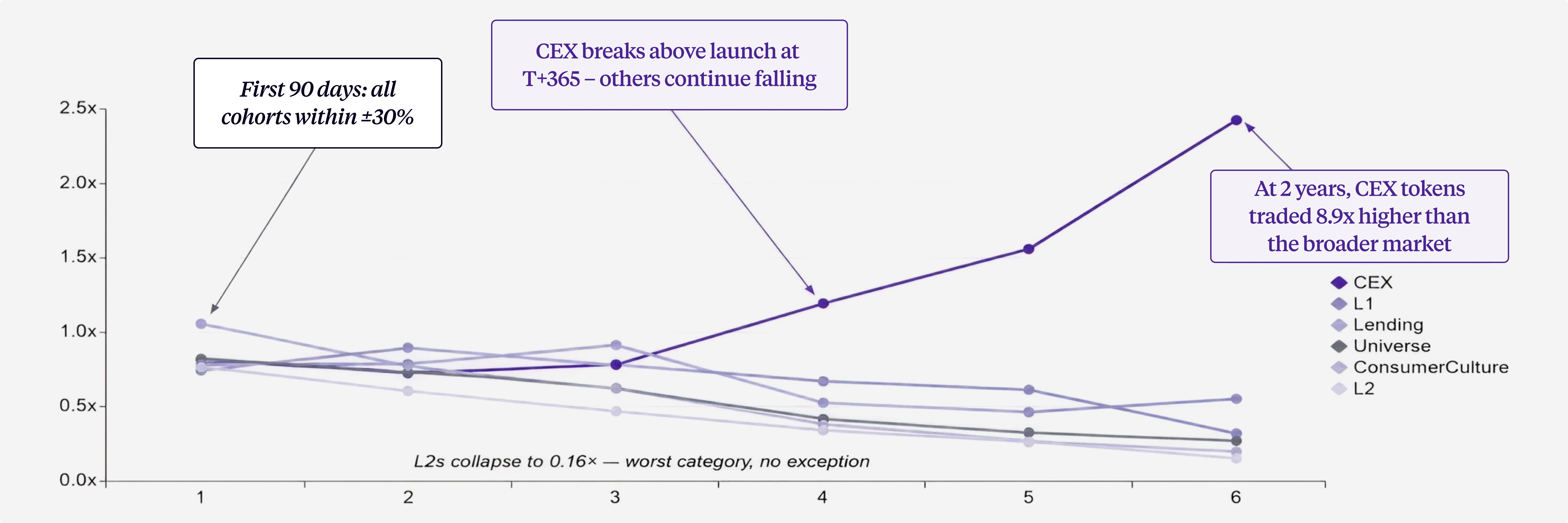
Capitalistic Token Markets



Is Crypto finally converging on rational economic behavior? A revenue-weighted portfolio of the top 10 protocols rebalanced weekly returned +30% since January 2025. Over the same period, BTC is down 17%, ETH down 35%, and SOL down 58%. The market is no longer paying premiums for L1 narratives. Cash flows will be the kingmaker.

Fundamentals Were Always Priced In.

It seemed like crypto discovered "real revenue" in 2024. But the data shows it had been the deciding factor all along.



Exchange tokens are the only category backed by issuers with measurable, recurring revenues. Every other cohort was priced on narrative. Two years post-launch, the data sorts them accordingly.

Source: *CoinGecko. n = 545 tokens with launch dates ≥ 2020-01-01. Analysis truncated to <730 days to maintain a 40% retention from the initial cohort.*

Permission Granted: The Year DeFi *Flipped* The Fee Switch

For years, founders avoided routing fees to token holders as they were afraid of being labelled a security. The result was a generation of governance-only tokens with no claim on protocol revenue. While value accrued to users, LPs, and VCs; the token itself was a decorative voting chip. Between late 2024 and early 2026 that compromise broke. A regulatory climate shift, combined with the obvious market failure of value-less tokens, opened the doors. Every major DeFi protocol with real revenue has now either launched with value accrual or voted to add it.

HYPE
NOV 2024

Launches with ~97% buyback

Hyperliquid Assistance Fund routes nearly all protocol fees to buybacks.

SKY
LATE 2024

Smart Burn Engine activates

Protocol surplus converts to open-market SKY buybacks.

JUP
FEB 2025

DAO routes 50% of fees

Buyback Jup tokens-and-lock for 3 years; Feb-25 vote also cut emissions mid-flight.

AAVE
APR 2025

$1M/week open-market buys

DAO approves protocol-fee-funded AAVE buyback program.

PUMP
JUL 2025

Revenue-funded buybacks begin

$370M+ worth of tokens burned; Now allocating 50% of platform fees.

MET
DEC 2025

$12.1M spent on MET buybacks

MET buybacks are being done on a discretionary basis by the team

UNI
DEC 2025

UNIfication passes

Fee switch flipped on v2, v3 and 100M UNI (~$600M) removed in one-time burn.

PENDLE
JAN 2026

sPENDLE replaces vePENDLE

80% of protocol revenue funnels into bi-weekly PENDLE buybacks for stakers.

BEFORE · 2020-2024

Governance tokens dodged value accrual to avoid securities classification. Fees went to LPs and users; holders got voting rights and speculation. Low-float / high-FDV launches with locked insiders were the default.

AFTER · 2024-2026

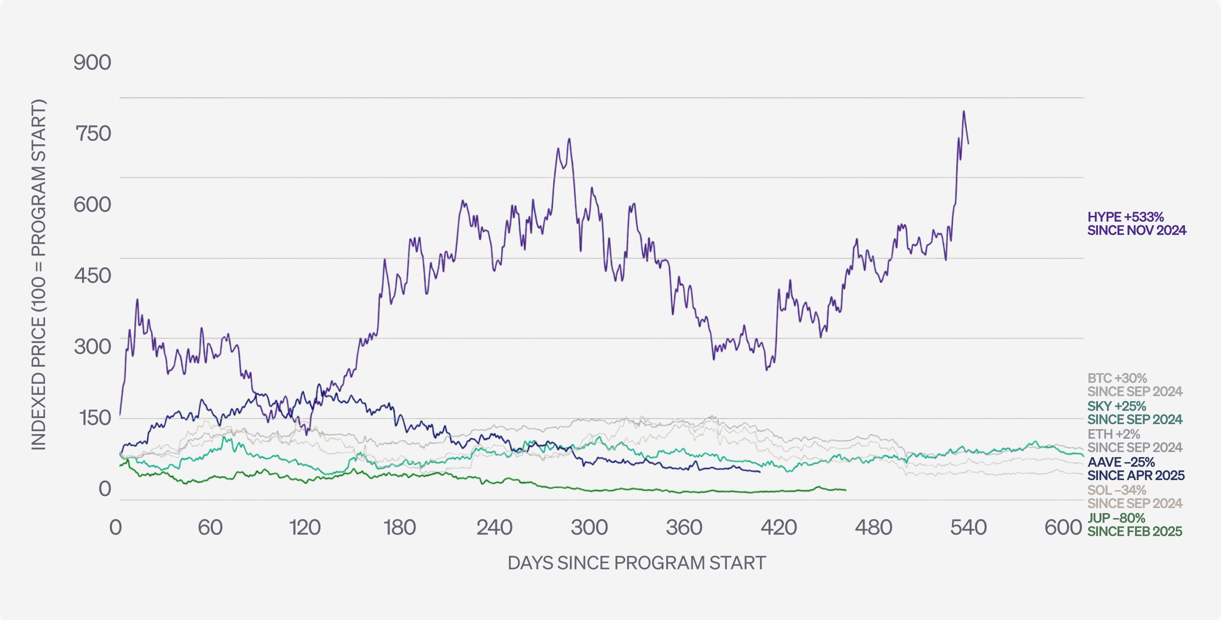
Protocol revenue routes directly to holders via buybacks, burns, or staker distribution. Holder return is tied to protocol economics, not just speculation. Every major revenue-producing DeFi protocol has now opted in.

The fee switch didn't arrive. Teams stopped fighting it.

Sources: *Hyperliquid · SKY · Jupiter DAO · Aave governance · Pump.fun dashboard · Meteora · Uniswap · Pendle docs*

Are Buybacks Enough?

Four tokens with active revenue-funded buyback programs. HYPE meaningfully outperformed; SKY held up modestly; AAVE and JUP lagged despite active buybacks.



One clear winner, not a broad factor trade. HYPE (+533% since Nov 2024) is the outlier: fee-funded buying met a market with limited insider selling and exceptional product traction. SKY (+25%) was positive, but lagged BTC (+30%) over the same reference window.

High buyback yield did not guarantee price support. AAVE (-25%) and JUP (-80%) both declined from program start despite active buyback structures. JUP is the cleanest warning: it has the highest TTM buyback yield in the set at 18.83%, yet still underperformed as token-specific pressures overwhelmed the buyback bid.

HYPE

Hyperliquid · Perp DEX

Started with 97%, now 99% of protocol fees routed to buybacks via Assistance Fund

Program start · Dec 2024

$1.18B Cumulative

6.78% TTM yield*

SKY

Sky Protocol · Stablecoin issuer

Smart Burn Engine uses protocol surplus to buy + burn SKY

Program start · Nov 2024

$120M Cumulative

4.25% TTM yield*

AAVE

Aave · Lending

Aavenomics buybacks funded by protocol revenue

Program start · Apr 2025

$42M Cumulative

2.86% TTM yield*

JUP

Jupiter · Solana Aggregator

50% of protocol fees to buybacks, locked 3 years

Program start · Feb 2025

$149M Cumulative

18.83% TTM yield*

Buybacks are the mechanism. They are not the moat.

A token's performance is set by the ratio of buybacks to everything else the market is trying to price in: float, unlocks, product traction, revenue generation, and protocol direction.

Note: **TTM yield refers to trailing twelve-month buybacks divided by current market capitalization. Buyback totals from DefiLlama AI; market caps and price series from CoinGecko. Price series through May 28, 2026.*

Buybacks Don't Beat Supply Issues

TRAILING 12 MONTHS · APR 2025 – MAR 2026

Aave and Jupiter ran strong independent buyback playbooks. They got widely different outcomes because supply, not stimulus, decides the effectiveness of the buyback program.

Aave

~95% SUPPLY CIRCULATING · MATURE

0.90x

BUYBACK / UNLOCK COVERAGE

$42.2M bought back
$46.8M unlocked
−$4.5M net supply impact

Jupiter

~48% SUPPLY CIRCULATING · MID-DISTRIBUTION

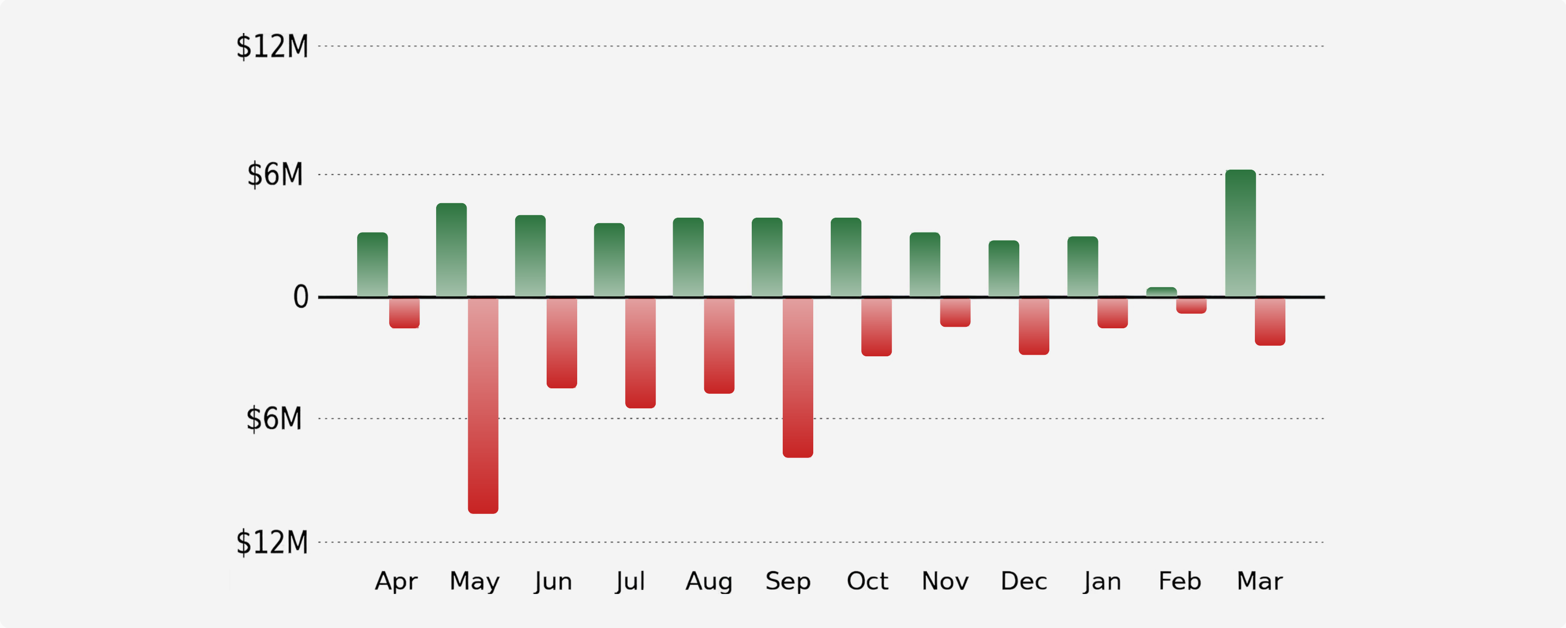
0.26x

BUYBACK / UNLOCK COVERAGE

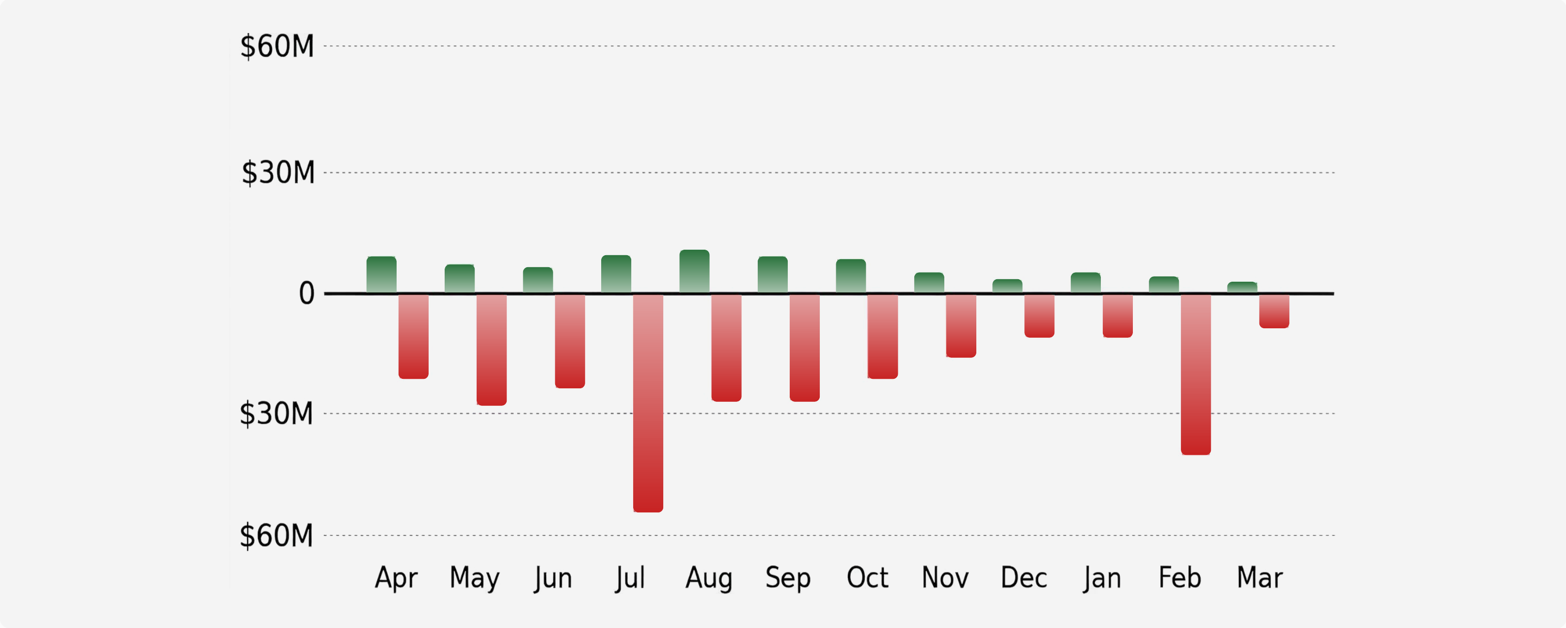
$76.7M bought back
$289.5M unlocked
−$212.8M net supply impact

MONTHLY FLOW · USD

Buyback Unlock



Buybacks essentially clear emissions. Token isn't fighting fresh supply, it's fighting the rest of the market.

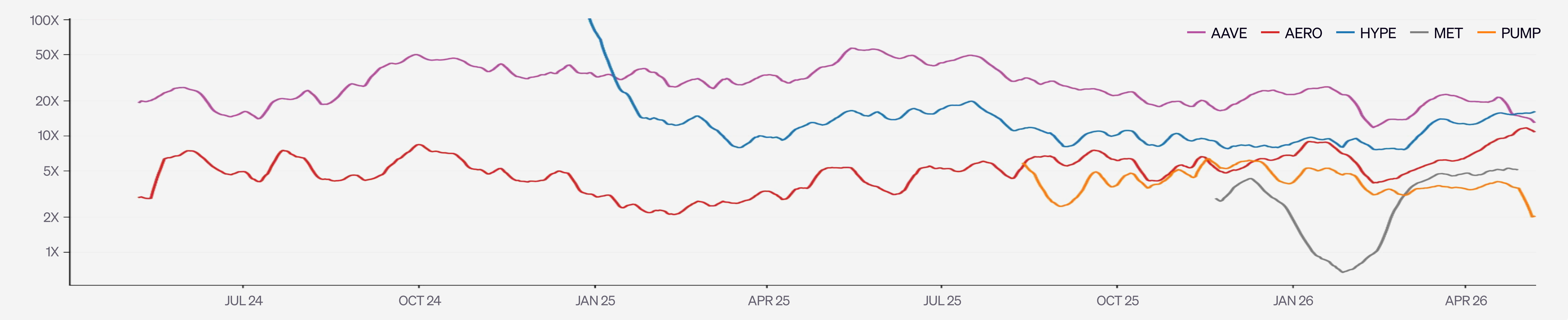


$3.77 unlocked per $1 bought back. Team acknowledges buybacks' limited success.

Source: *DefiLlama* · Coverage = Buyback ÷ Unlock

Revenue Durability: How The Market Prices Each $ Of Revenue

Mcap / annualized revenue (30d rolling) since each protocol's TGE. Higher multiple shows market believes in protocol's revenue durability



	Demand Persistence	*Competitive Moat*	*Value Capture*	*Reflexivity*
HYPE *16.9x*	Trading demand is perennial; increasing via commodities & equities	Owns L1 + 70% perp DEX share	99% of fees converted into buybacks	Volume → fees → buybacks → price
AAVE *10.4x*	Demand had been resilient but has cratered post KelpDAO hack	Dominant onchain lender, 5 years of compounding TVL	Buyback program is live, but uncertain continuity	Buyback flywheel was just getting established
AERO *10.3x*	Tied to Base Ecosystem activity, 88% off peak	42% of Base DEX volumes	Net negative of LP emissions	ve-lock helps but emissions dilute
MET *4.6x*	Solana DEX volumes are 90% off peak	Prop AMMs eating flow	Discretionary buybacks	LP liquidity falls as DeFi security risk rises and propAMMs win flow
PUMP *2.2x*	Memecoin cycle, 81% off peak	Lost share briefly to bonk; displayed weak lock in	50% of revenue flows to buybacks	July unlock overhang limits reflexive growth

Sources: *DefiLlama (fees, revenue, incentives) · CoinGecko · Data as of May 7, 2026*

A Solution: Emissions That Scale With *Performance*

Emissions used to be a function of time. Some teams are making them a function of performance by gating insider supply on revenue, adoption, or liquidity instead of a calendar. And we believe that crypto needs more of this.

1 PERFORMANCE-GATED UNLOCKS

Insiders unlock only when the protocol hits measurable goals on fundamental metrics. Tokens stay locked if KPIs fail.

MegaETH — 53.3% of 10B MEGA gated on 4 KPIs (ecosystem growth, performance, decentralization, L2 stage); first KPI cleared Apr 2026.

Umbra — 18-mo cliff, then 20% tranches at each 2× of ICO FDV (to 32×). Routed via MetaDAO.

SOLVES *Calendar dumps on non-performers*

2 RETROACTIVE SUPPLY DESTRUCTION

Burn treasury tokens to correct historical under-accrual or tighten legacy float.

Uniswap — UNIfication passed Dec 25, 2025. 100M UNI burned (~$600M), sized to fees that would have accrued with the switch on since 2018.

SOLVES *Historical unaccrued value to protocol tokens*

3 SUPPLY REDUCTION VIA GOVERNANCE

DAOs vote to retire emissions that were pre-committed at launch before product-market fit was proven.

Jupiter — 2024 vote cut max supply 10B → 7B. Feb 2025: 50% of fees route to JUP buybacks, locked 3 yrs.

Pendle — sPENDLE to use upto 80% of revenue → buybacks; emissions cut ~30%.

SOLVES *High emissions committed pre-PMF*

4 FAIR-LAUNCH STRUCTURES

Skip the problem upstream with community-first cap tables. No VC cliffs to defuse in the first place.

Hyperliquid — Zero VC allocation. Minimal team unlocks.

SOLVES *Issues where cap table is the problem*

5 LIQUIDITY-ADJUSTED VESTING

Unlock rate bounded by onchain bid-side depth. Scheduled, but only vests at a rate the market can absorb.

No live implementation yet

SOLVES *Unlocks larger than the bid*

THE REGIME SHIFT

Before 2025	*2026 onwards*
• Calendar-based cliffs • Insider-first cap tables • Price-indifferent unlocks • Time as the trigger	• KPI-gated release • Community-first structures • Market-aware unlocks • Earnings as the trigger

SECTION 4

The Way Forward

From *Ten Million Tokens* To A Knowable Few.

Over issuance of tokens has been a disease to crypto markets and investors. The cure is supply discipline upstream, and consolidation downstream.

Issuance is no longer a passive variable. Founders must internalize this. The next batch of issuers must treat supply as a design surface, ripping the band-aid early or gating insider supply on KPIs. The right asset is still the game. It's just more obvious than ever.

✓ PASS ◐ PARTIAL ✗ FAIL

Protocol	*Narrative*	*Product*	*Revenue*	*Value Accrual*	*Future Emission Mgmt*
HYPE *Perp DEX*	✓	✓	✓	✓	✓
AAVE *Lending*	✓	✓	✓	◐	✓
UNI *AMM*	◐	✓	◐	✓	✓
VVV *Inference Provider*	✓	✓	◐	◐	✓
SKY *Stablecoin Issuer*	◐	✓	✓	✓	✓
JUP *Aggregator*	✓	✓	✓	◐	✓
LIT *Perp DEX*	✓	✓	◐	✓	✗
PUMP *Launchpad + DEX*	◐	◐	✓	✓	✗
PLUME *L1*	◐	✗	✗	✗	✗
BERA *L1*	✗	✗	✗	✗	✗
TAO *Decentralized AI*	✓	◐	✗	✗	◐

The Market Isn't Buying *Stories*, It's Buying *Traction*

Narrative still matters. It just isn't enough on its own anymore. The crypto narrative trade just needs a basis that is rooted in ground truths and a real investment thesis.

Equity markets are proof that great stories drive great returns. But stories without cash flows or visible growth in revenue aren't enough to make a narrative stick. "Hyperliquid will house all of finance" works because it does $1B+ in revenue, 70% perp DEX market share, and product extension into equities and commodities. The story is the extrapolation. The traction is the foundation. Pure narrative without traction is why token markets are where they are.

STORY WITHOUT TRACTION

What 2024–25 sold. What the market repriced to zero.

KAITO	*"Attention economy primitive"*	–76%
PLUME	*"RWA infrastructure"*	–94%
BERA	*"Proof-of-Liquidity primitive"*	–94%
LINEA	*"Best-in-class ZK L2"*	–87%

STORY + TRACTION

What the market is rewarding. The narrative is earned, not asserted.

HYPE	*"House of finance"*	$1B+ rev, 70% share
AAVE	*"Onchain credit primitive"*	$42M buybacks, 95% dist
UNI	*"AMM standard"*	$600M retroactive burn

The era of real product value in crypto is here. A clean story still helps. It just isn't enough.

Wealth Managers *Crossed* The Threshold. Now We Have To Give Them Something To Buy.

Hedge funds left when the basis trade closed. The buyers who replaced them aren't going anywhere.

Crypto won the demand-side argument. The supply side is where the work is now.

Wealth managers follow client demand. BTC and ETH cleared that bar in 2024/25. Aggregate institutional IBIT holdings rose 62% YoY, with advisor channels +204% and sovereigns +228%. The bid into high quality crypto assets has never been more obvious.

The job now is supply. Anything beyond BTC has to clear the same bar on merit. A real network/business that uses crypto rails to do something traditional rails can't. The surface area of disruption must be legible enough for non-crypto-native clients to understand. That's the capitalistic shift: decentralization stays the floor, but capital flows to whatever produces the most cash flow on top of it.

WHO LEFT *(basis trade unwinds, shorter horizons)*

Brevan Howard	*Macro hedge fund*	−27% (25.6M → 18.6M)
Tudor	*Systematic hedge fund*	−72% (8.0M → 2.2M)
Hunting Hill	*Quant hedge fund*	−97% (0.69M → 0.02M)

WHO ARRIVED *(structural allocators, multi-year horizons)*

Morgan Stanley	*Macro hedge fund*	+177% (4.9M → 13.4M)
BlackRock	Issuer self-allocation	new (0 → 13.0M)
Mubadala	Sovereign + endowment	+54% (8.2M → 12.7M)

Memecoin Markets Must Reclaim *Authenticity.*

Strip the pretense, and what's left is honest and useful.

Memecoins were always tradeable attention. The category just stopped being honest about it.

Many in the 2024–25 cohort tried to dress up attention as utility by adding revenue, governance, treasury mechanisms. All of the LARP memecoins eventually found their way to nearly zero. The fix isn't more financial machinery. It's letting memecoins be what they actually are: cultural indices, instruments for collective attention. DOGE has held that role for twelve years.

But it only works if the attention is authentic. The attention must emerge from culture and not from bundled launches, sniper bots, and KOL-allocated supply.

SURVIVORS

Memes that admit they're memes

DOGE	*Retail crypto culture, since 2013*
SHIB	*Community coordination layer*
PEPE	*Onchain-native art / meme culture*
WIF	*Solana retail flagships*
FARTCOIN	*AI-native meme primitive*

PRETENDERS

Memes that tried to be revenue coins

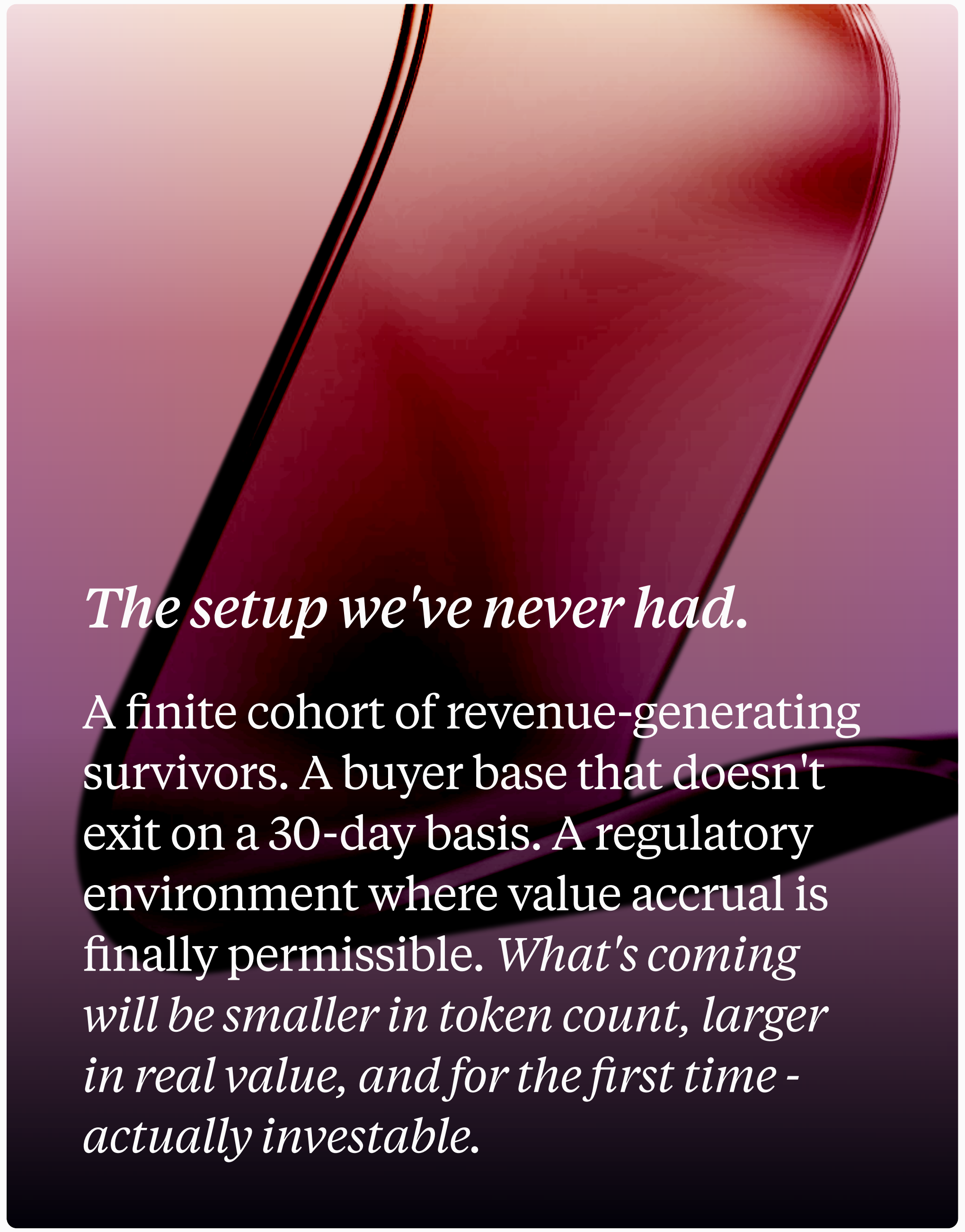
AI16Z	*"AI agent venture fund"*	–95%
ZEREBRO	*"Decentralized AI artist"*	–96%
GORK	*Musk-narrative AI parody coin*	–98%
ACT	*"AI-meme protocol" w/ utility claims*	–98%

The most interesting thing that can happen to memecoins is for them to become honest.

The Market Needs To Become *Capitalistic*.

The dysfunction of 2021–2024 wasn't speculation. It was crony economics. That's what's correcting.

Dimension	*Crony Market (2021–2025)*	*Capitalistic Market (2026 →)*
Cap table	VC-allocated low FDV	Fair launch / earned emissions
Value accrual	Blocked by "securities risk"	Routed to holders by default
Supply schedule	Calendar-based dumps	KPI-gated, market-aware unlocks
Listing curation	Pay-to-play CEX listings	Onchain mechanism design
Holder rights	Governance-only voting chips	Real economic claim on revenue
Buyer base	Retail exit liquidity	Wealth managers + structural capital



The Setup We've *Never* Had.

Across the dimensions that actually matter, the 2026 base is structurally stronger than any prior cycle.

Dimension	*2018*	*2022*	*2026*
Regulatory posture	Hostile / undefined	Active enforcement; Howey expansion	Clarity emerging — FIT21, stablecoin framework
Institutional access	None — futures-only	BTC futures ETF; spot blocked	BTC + ETH spot ETFs live; token ETFs filed
Onchain revenue	Effectively zero	TVL high, fees thin, rebates underwater	$1B+ revenue protocols; fees routed to holders
Token supply discipline	ICOs, no vesting norms	Low FDV / cliff unlocks → calendar dumps	KPI-gated unlocks; buyback / burn becoming norm
Buyer base	Retail-only, speculative	Retail + crypto-native VCs	Wealth managers, sovereigns, endowments
Product surface	Whitepapers, testnets	Live but unprofitable apps	Revenue-generating protocols with PMF

The 2026 base isn't a recovery. It's the strongest setup the asset class has ever had.

Continue The Research.
Design Better Token Markets.

Delphi's ***State of Token Markets Tool*** is an interactive companion to this report. Model token design choices and their long-term economic impact.

Model Distributions & Vesting

Design allocations and unlock schedules. See how emissions impact supply over time.

Run Protocol-Specific Models

L1s, L2s, lending, stablecoin CDPs, DEXs, RWAs, DePIN networks, and more.

Simulate Demand & Incentives

Configure staking, buybacks, gas & payment tokens, and other demand sources.

Stress Test Long-Term Outcomes

Evaluate sell pressure, liquidity plans, and protocol sustainability under different scenarios.

STATE OF TOKEN MARKETS

TOOL

Token Design Tool

Disclosure

This independent research report (the “Report”) has been authored by Delphi Consulting, LLC (“Delphi Consulting”) and is a product of its rigorous internal analysis of publicly available, third-party data, statistics, and industry information. The Report has not been commissioned or funded by any outside entity or person and represents Delphi Consulting’s independent work product derived from its internal process and evaluations of certain historical and current trends, data, and events.

This Report has been provided strictly for educational and informational purposes. Consequently, this Report and its contents do not constitute, and shall not be construed as: an endorsement of any token, protocol, product, service, or institution discussed or referenced herein; financial advice; investment advice; legal advice; tax advice; or a recommendation to make any investment(s). Nothing in this Report constitutes a solicitation, recommendation, or offer by Delphi Consulting to buy or sell any securities or other financial instruments.

The information and content contained in the Report is provided “as is” and Delphi Consulting makes no representations or warranties whatsoever, whether express or implied, as to the accuracy, completeness, currentness, reliability, merchantability, or fitness for a particular purpose as to the Report or its contents. Further, market conditions may be subject to rapid change, and Delphi Consulting assumes no obligation to update, modify, or supplement this Report.

Readers are expressly advised to seek professional advice before making any investment decisions. Readers assume all risks associated with their use of, or reliance upon, this Report. In no event shall Delphi Consulting, its affiliates, or their respective directors, officers, or employees be liable for any direct, indirect, incidental, special, or consequential damages, losses, or expenses arising out of, or in connection with the use of, or reliance upon, any information or content contained in this Report.

Thank *You*