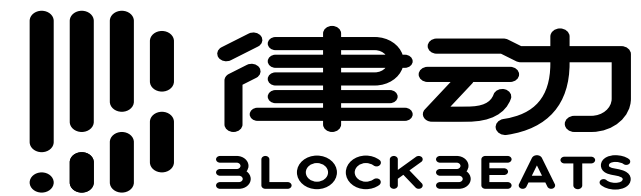
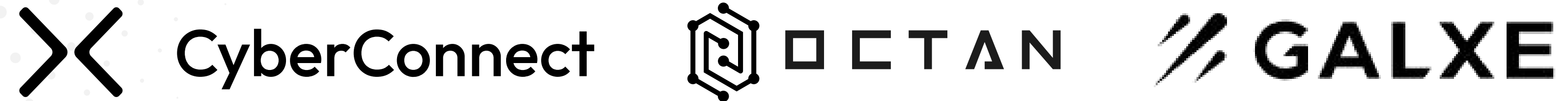




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ASIA CRYPTOCURRENCY MARKET REPORT

CORE PARTNERS



METHODOLOGY



This report incorporates data from the Asia Cryptocurrency Survey, which was conducted online with the assistance of 10 media agencies from China, Thailand, Korea, Taiwan and Vietnam. The survey questionnaire was fully translated into local languages and was conducted almost simultaneously in the five countries from December 11th to 29th, 2023.

The report makes use of blockchain data gathered directly from Kyros Ventures partners. The team also uses data from third-party sources or reports. Data source list includes, but is not limited to, Octan Network, CyberConnect, PWC, CryptoSlam, and DefiLlama.

The scope of this report covers following topics: an overview of the legal situation in Asia; an outline of investor persona based on their nationality, behavior, risk tolerance, and perspectives; a comparison of major EVM chains via on-chain data. Finally, the report draws parallels between survey data and on-chain data.




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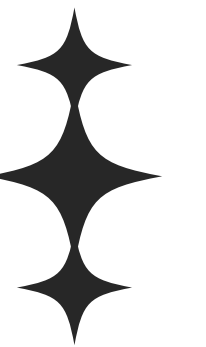
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1. HIGHLIGHTS



Report Takeaways

The general market sentiment is **more positive** predicting a higher BTC price compared to the previous report.

Approximately **two-thirds** of survey respondents **invested with friends**.

Thai and **Chinese** investors have the highest risk tolerance, the highest profit expectations, and the lowest levels of patience among the countries where the survey was conducted.

According to on-chain data, **Optimism** and **Arbitrum** are the two fastest growing chains. They also have the highest average GRS score, meaning most quality users.



2023 Key Events

January



Ordinals/Inscription first appear on the Bitcoin blockchain

February



BUSD is requested by the US to stop issuance

March



Arbitrum airdrops tokens
SVB Bank collapses, causing USDC to depeg

May



Memecoin PEPE stirs up the market

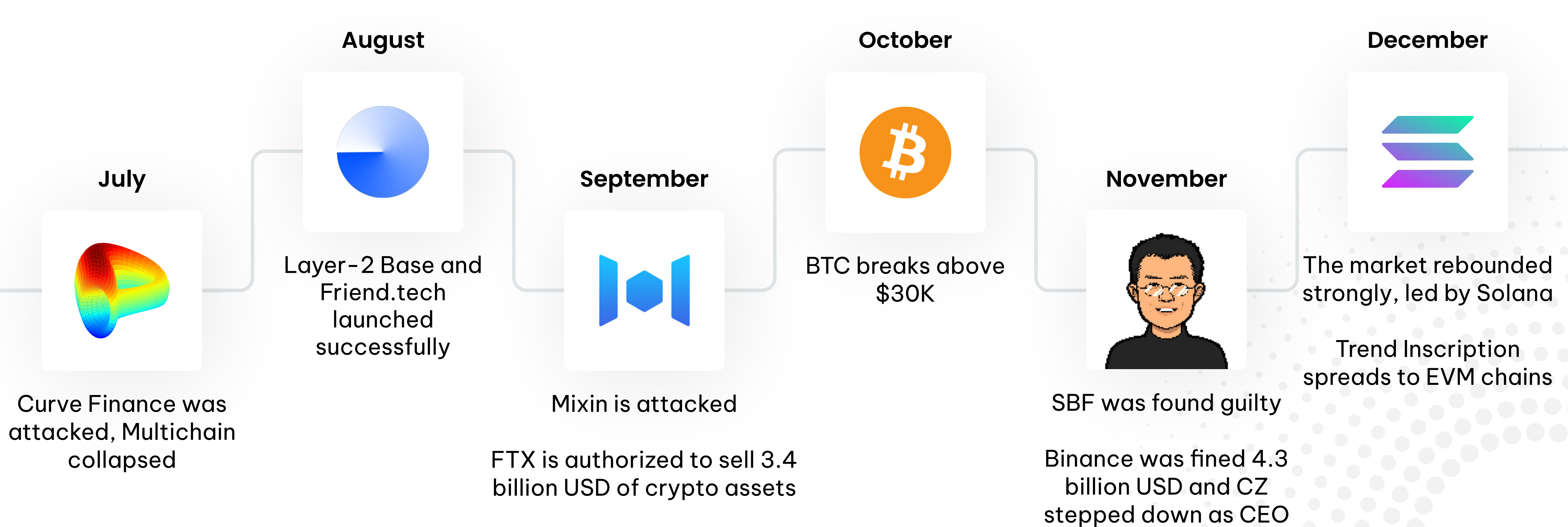
June



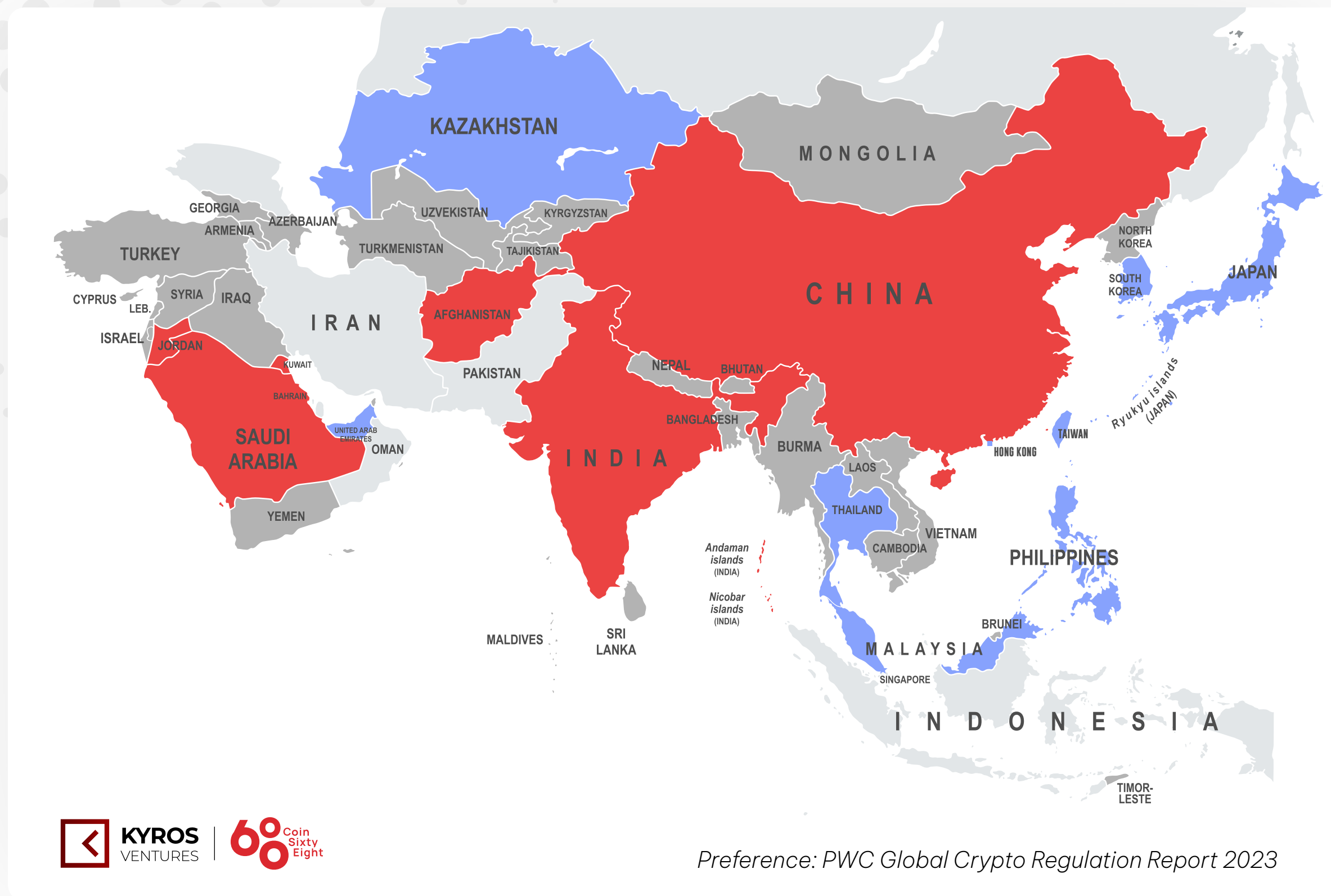
ETF

Wall Street giants simultaneously submit applications for Bitcoin ETF Spot

2023 Key Events



A brief of cryptocurrency legal status in Asia



Last year's surge was fueled by rumors of a Spot BTC ETF approval. Which makes it timely to review the legal landscape in Asia.

Hong Kong issued its first cryptocurrency exchange licenses in 2023.

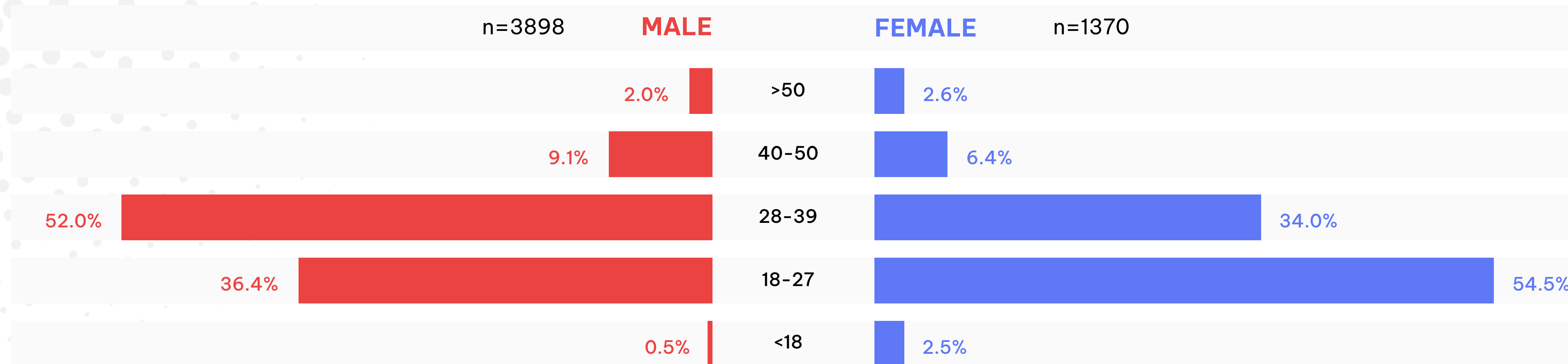
Japan is fostering a friendlier environment by emphasizing investor protection and relaxing income tax regulations.

South Korea passes new legislation to protect cryptocurrency users, increase transaction transparency, and promote market discipline.

When ETF filings in the United States are officially approved, the general sentiment in many countries is expected to become clearer.

2. INVESTOR PERSONA

Demographic



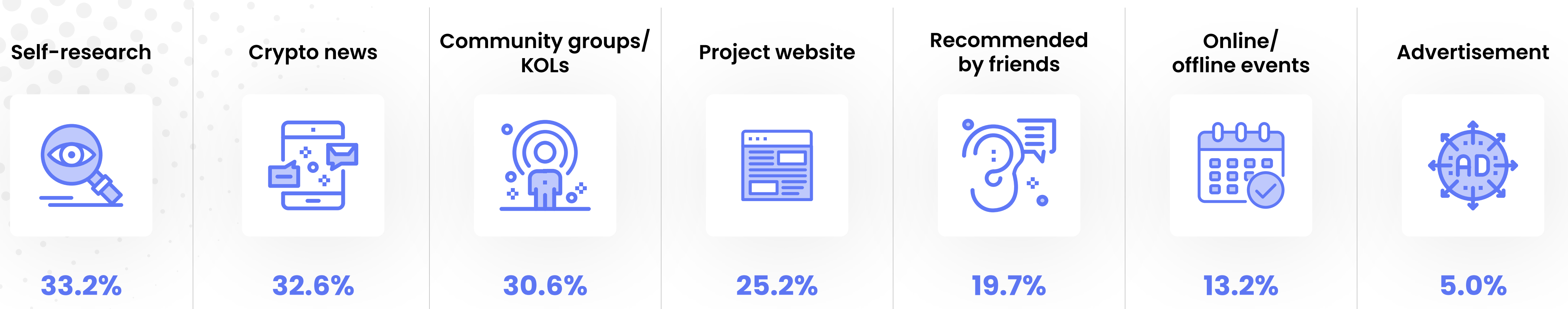
In general, **Generation Y** and **Z** have the highest participation rates.

In particular, there are more males participating from Gen Y, while more females are participating from Gen Z.

Men are more risk averse than women, who tend to follow their friends within their investments.

Sources of Information Access

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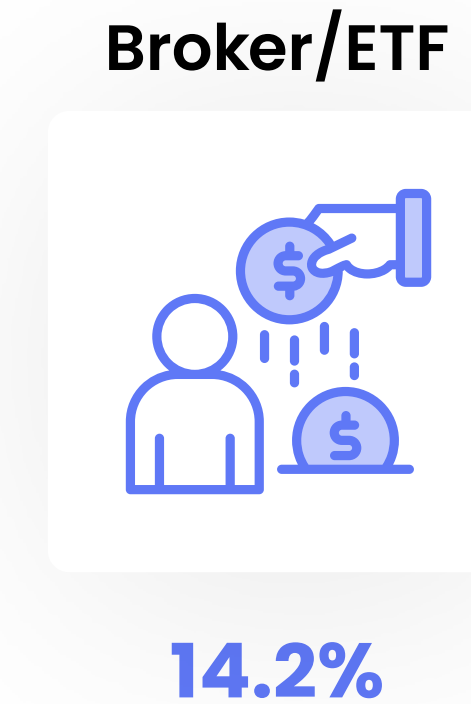
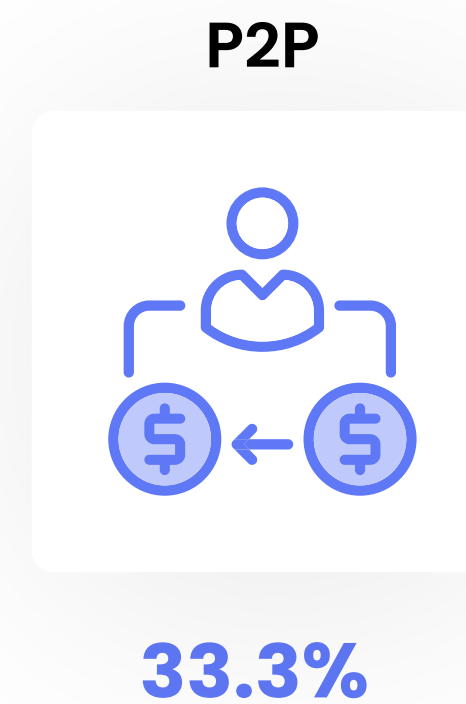


From the beginning of the year until now, **self-research**, **crypto news**, and **Community groups/KOLs** have been the 3 information channels preferred by many investors.

News media is preferred by **more than 70%** of Thai and Chinese investors.

Trading Platform

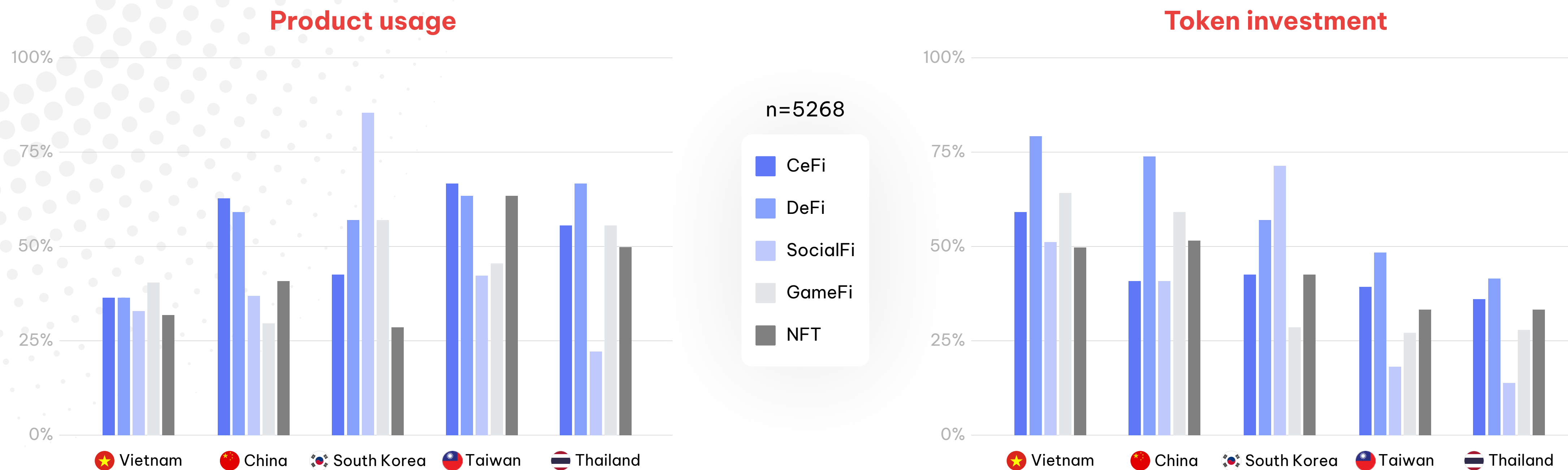
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Overall, the most popular trading platform remains as **CEX** and **DEX**. **P2P** also appears to be a popular channel in Vietnam.

Despite the government agencies' ban, the majority of investors in China choose to trade on **CEX, accounting for 89%**.

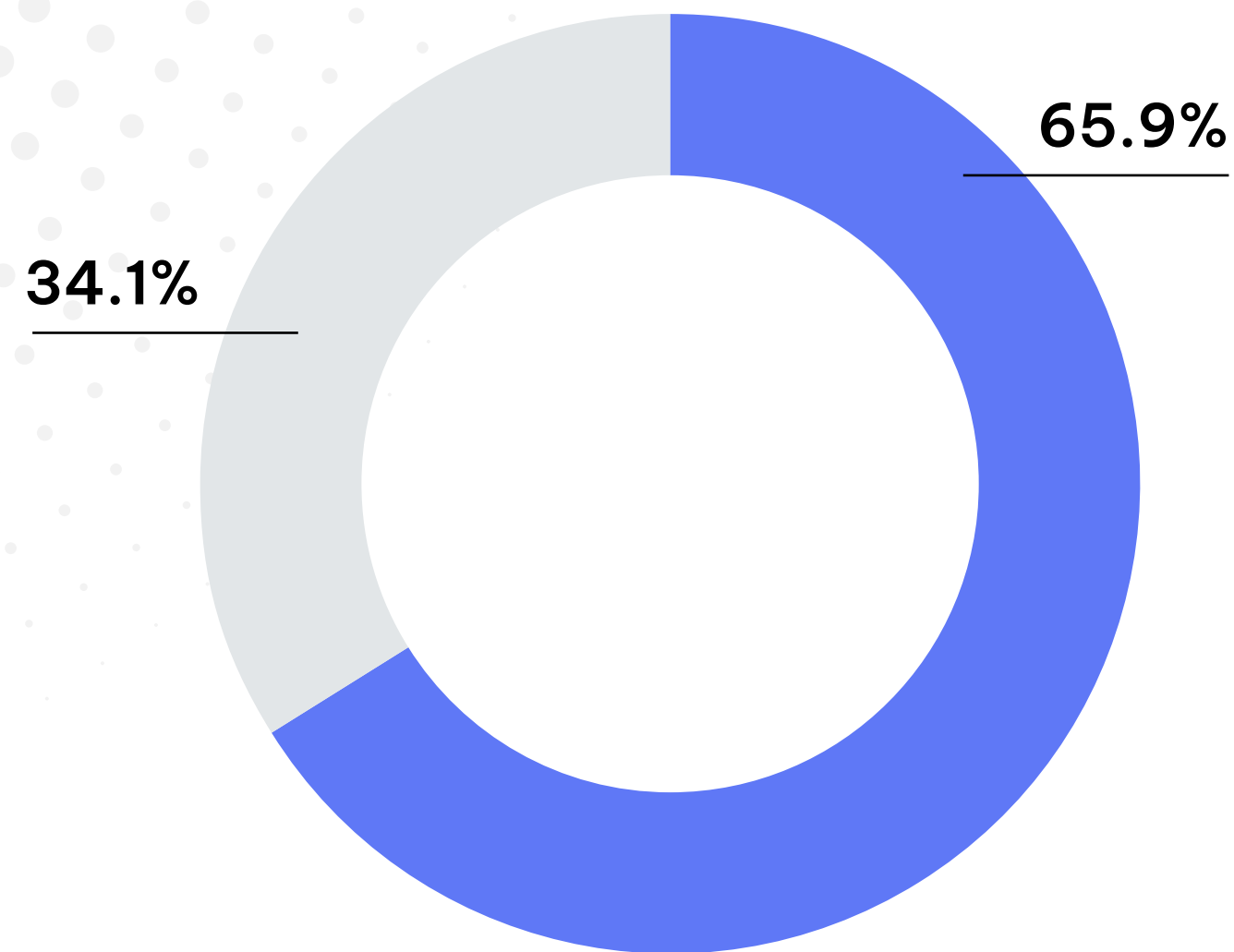
Participation Rate by Country



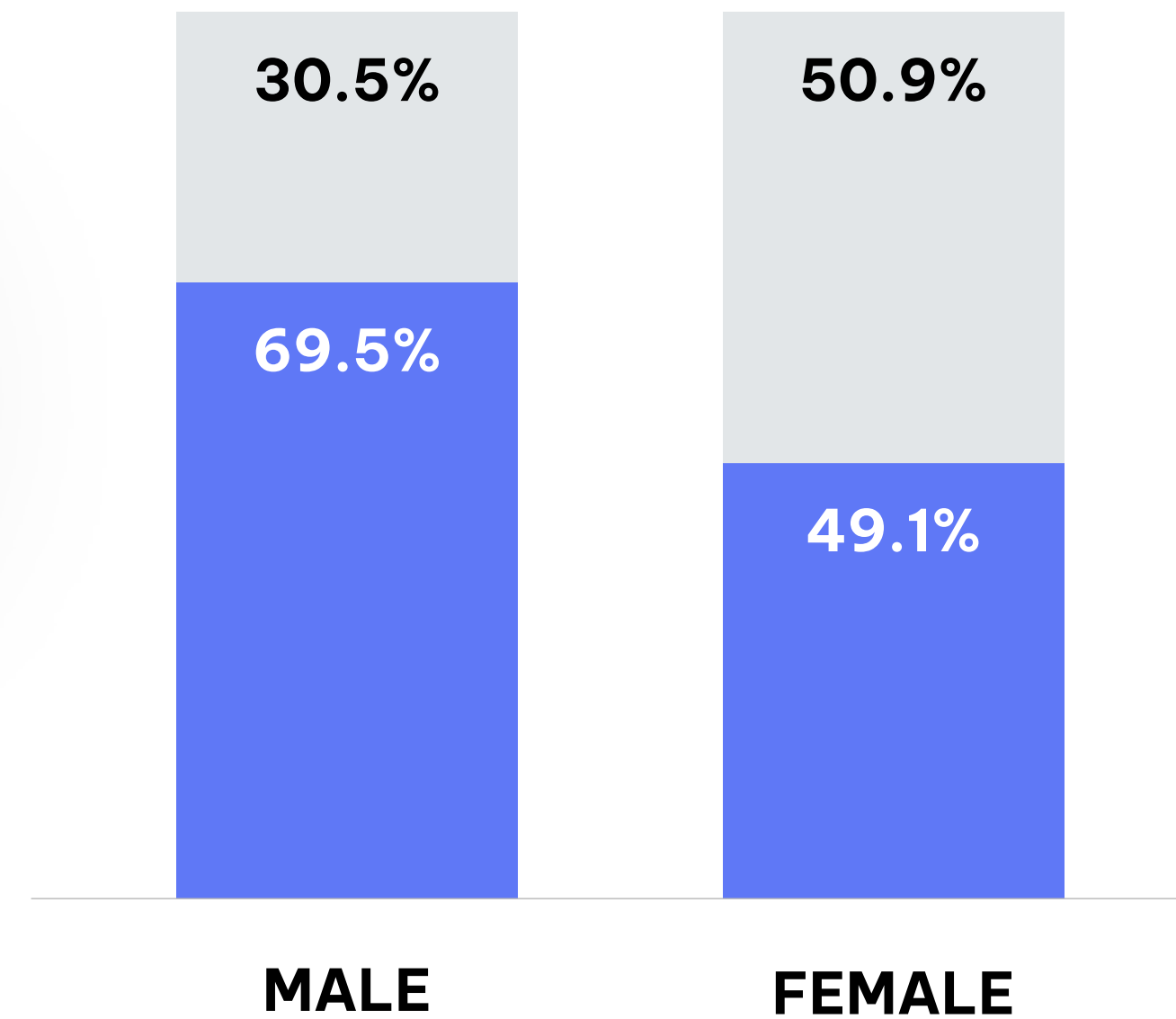
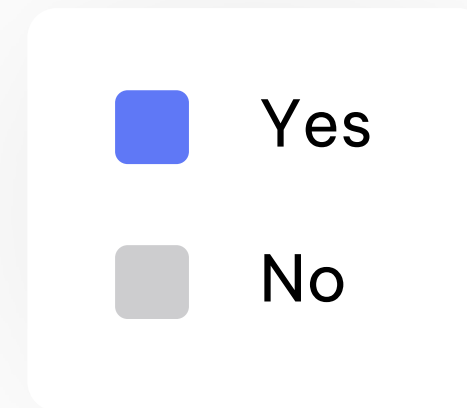
The use of Web3 products in different countries differs depending on the niche. **Thailand** and **Taiwan** have higher rates of product usage than token investment. On the contrary, **Vietnam** and **China** prefer token investments, particularly within DeFi, with up to $\frac{3}{4}$ of investors participating in DeFi.

In comparison to *the first half* of this year, Vietnamese investors were found to be more active within **SocialFi** and **GameFi**.

Investments by Referral



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Approximately **two-thirds** of survey respondents invested based on friends' recommendations. **Thailand** and **China** have the highest rates, up to 80%.

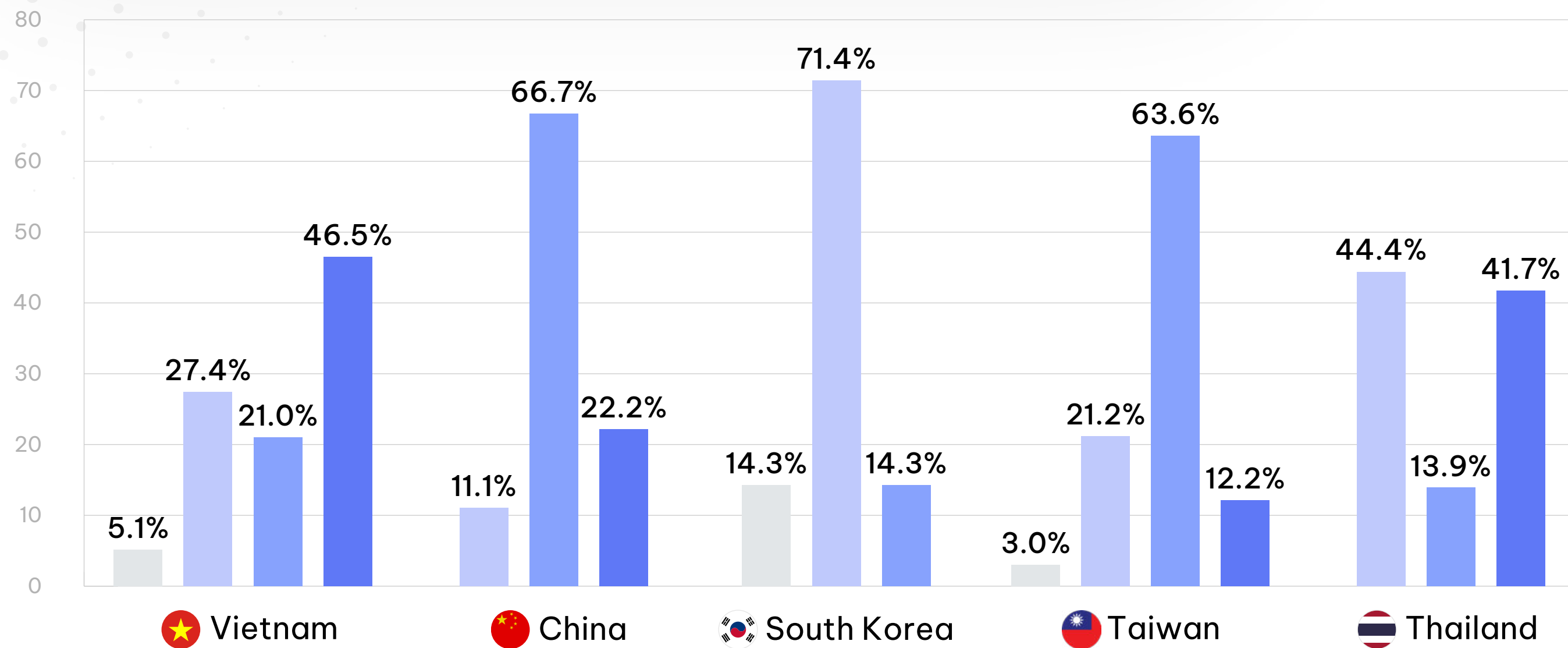
7 out of every 10 **male investors** are referred by friends while this rate is lower for female investors.

Familiarity Bias



■ Do not invest ■ Not sure, need to research more
■ Consider to buy later ■ Participate token sales

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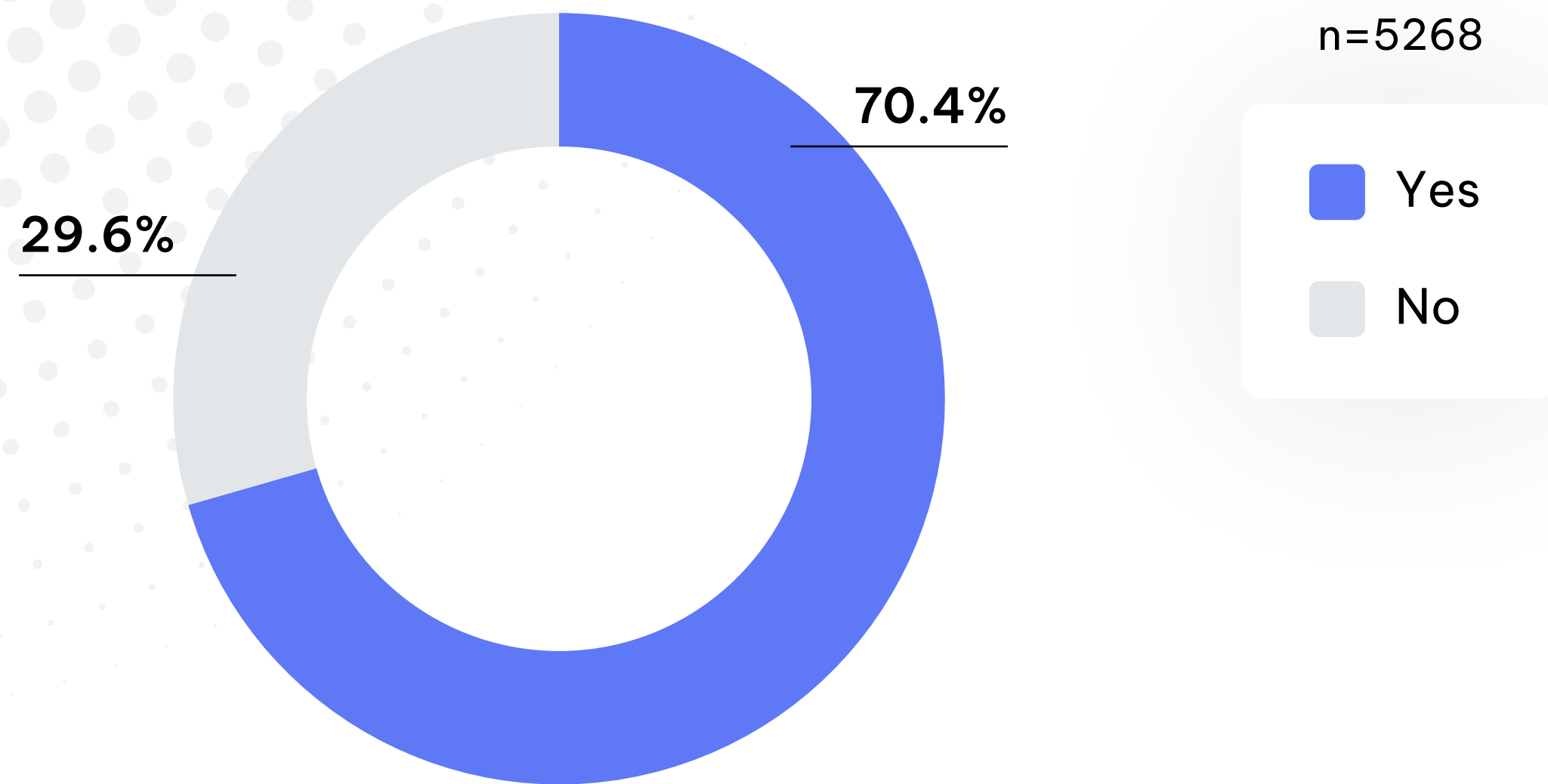


When asked if they would buy tokens of a product which they are frequently exposed to, **approximately 45%** of investors would invest right away. This indicates a certain degree of familiarity bias.

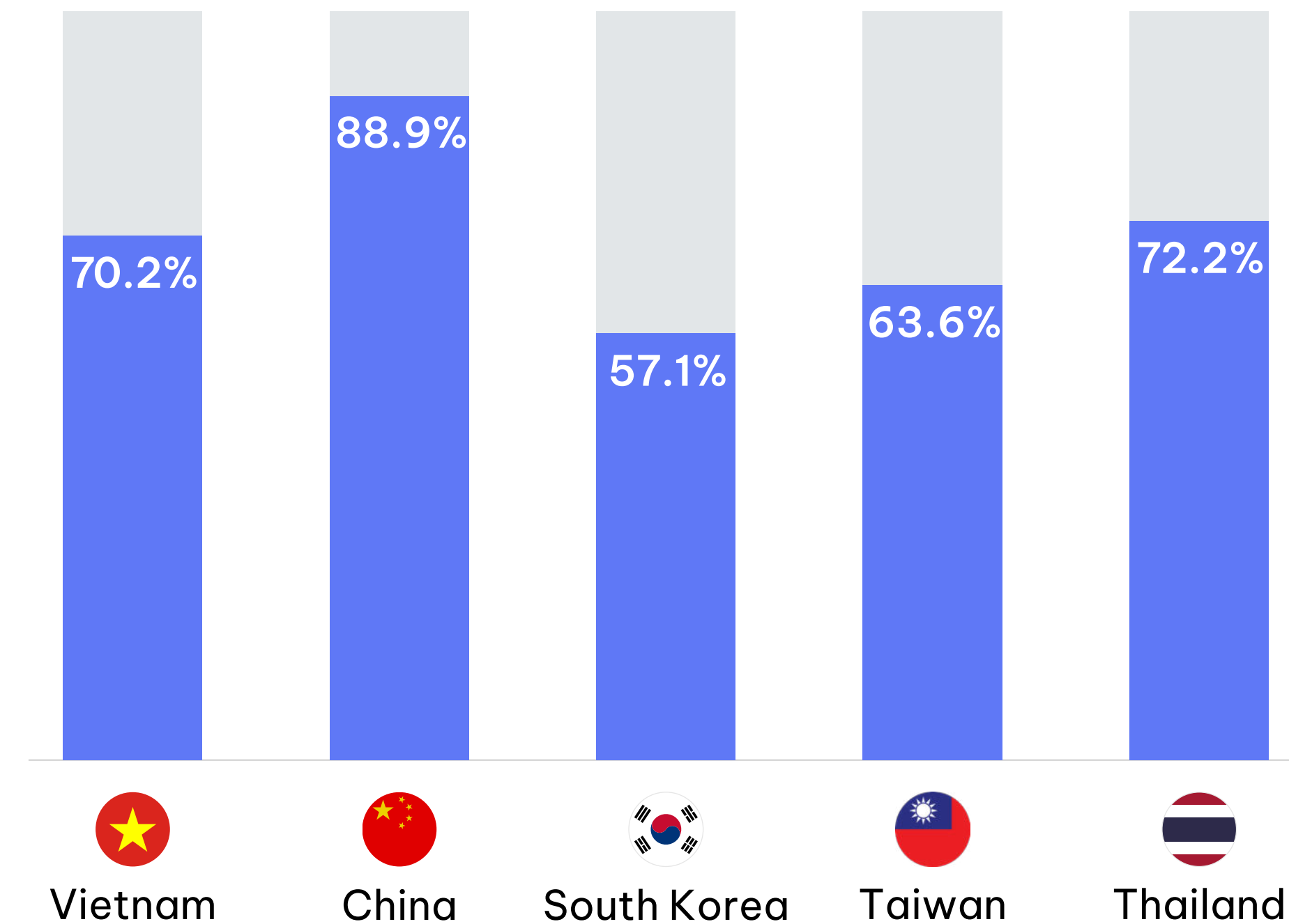
Investors in **Vietnam** and **Thailand** have a preference for commonly used products, as evidenced by the fact that the token sale participation rate is much higher compared to other countries.

3. RISK TOLERANCE

Bet big on Cryptocurrency



More than 70% of respondents said cryptocurrency accounts for more than half of their asset portfolio.

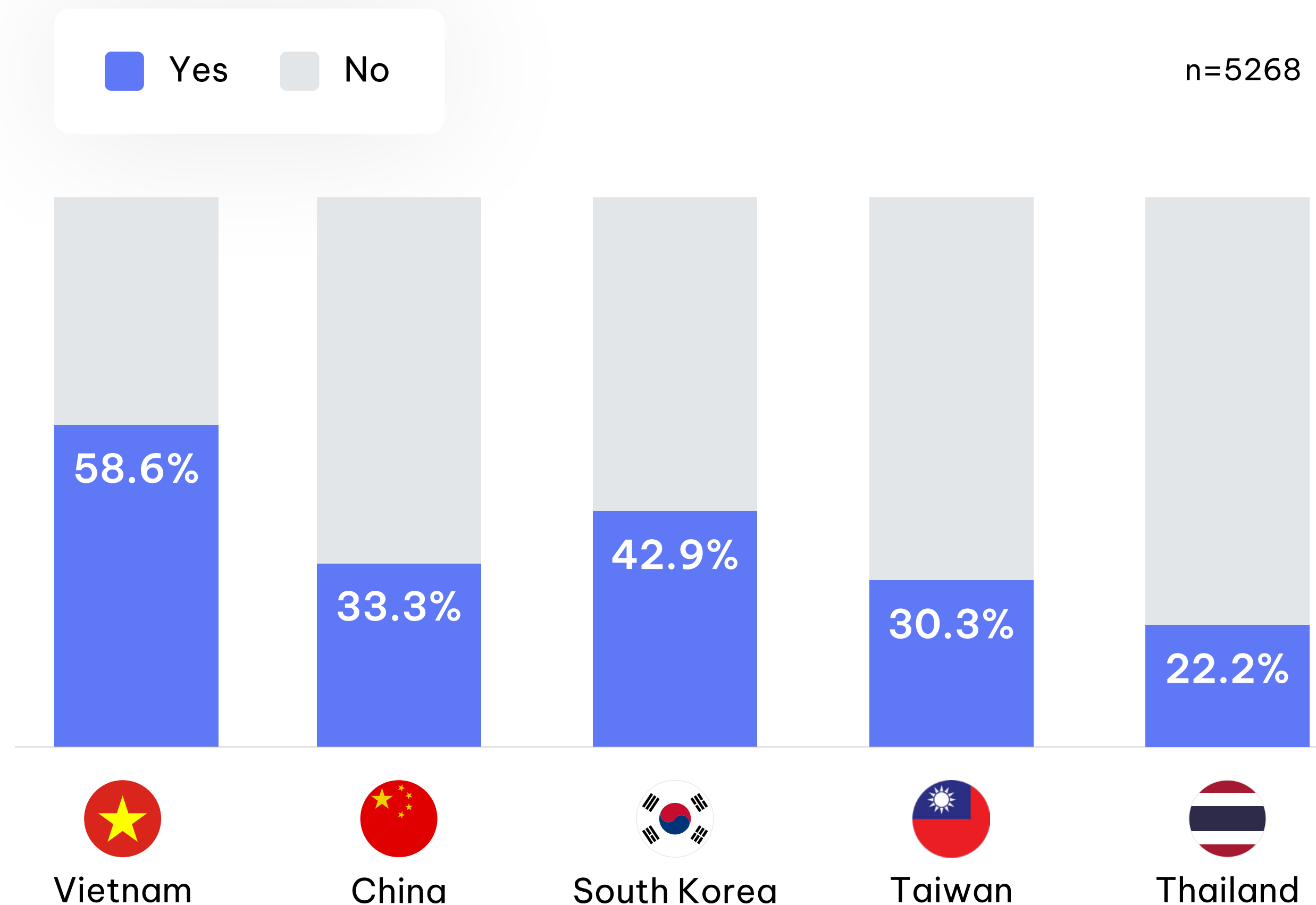


China, Thailand, and Vietnam are three countries with the highest proportion of respondents who invest heavily in cryptocurrency.

Are you holding a large amount of stablecoins?

Except for Vietnam, most investors in other countries have reduced their holdings in stablecoins, indicating that they are **more risk-on** with investments into crypto assets.

Thailand, in particular, has the lowest rate, at only 22%.

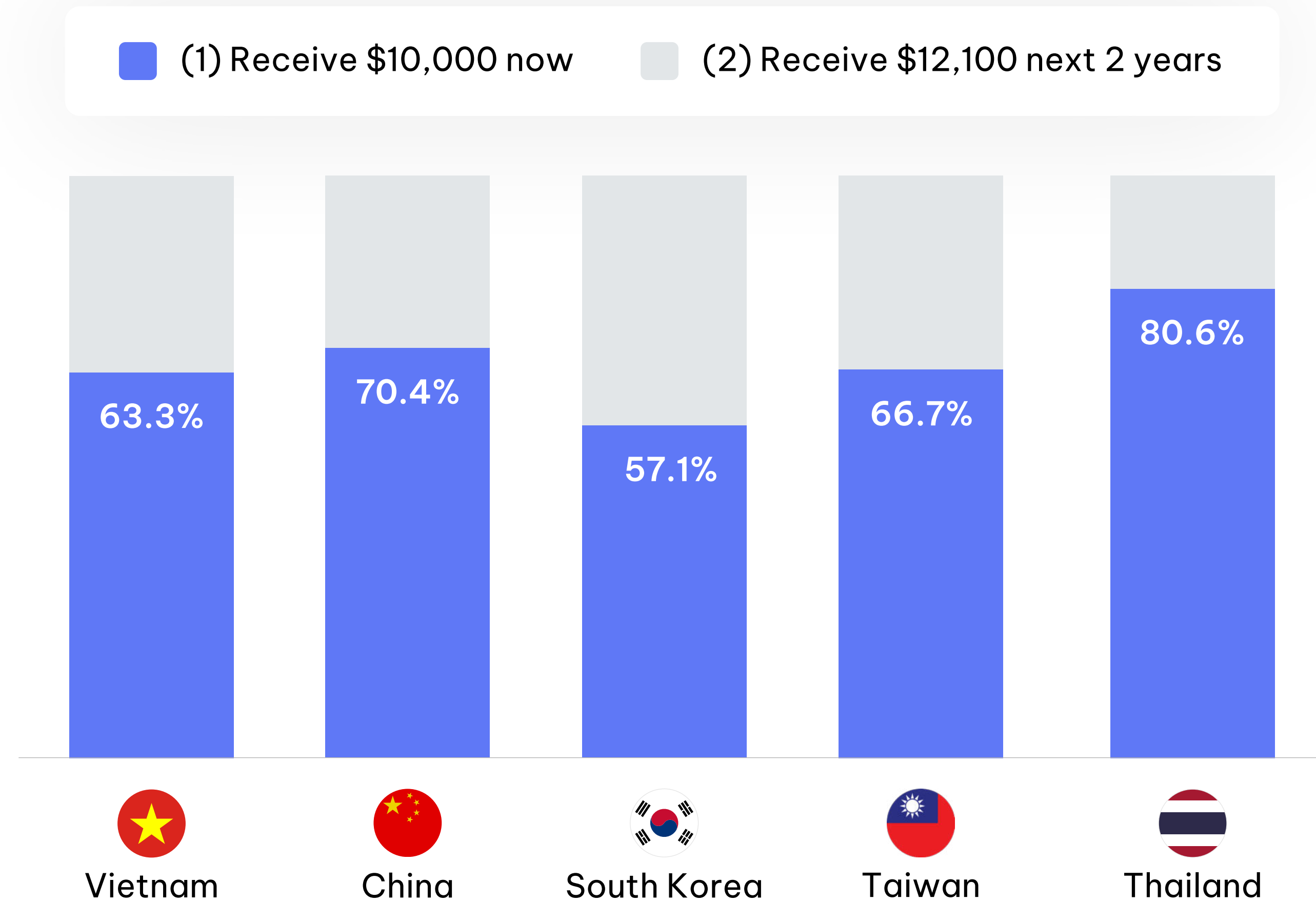


Patience Level

When asked about their level of patience or uncertainty avoidance behaviour, most investors currently choose the **short-term option** (1), despite the fact that option (2) has a higher real value when considering interest rates in five countries.

This demonstrates that the general psychology of crypto investors **lack patience**, regardless of GDP per capita. And in particular, this behaviour is most common in Thailand.

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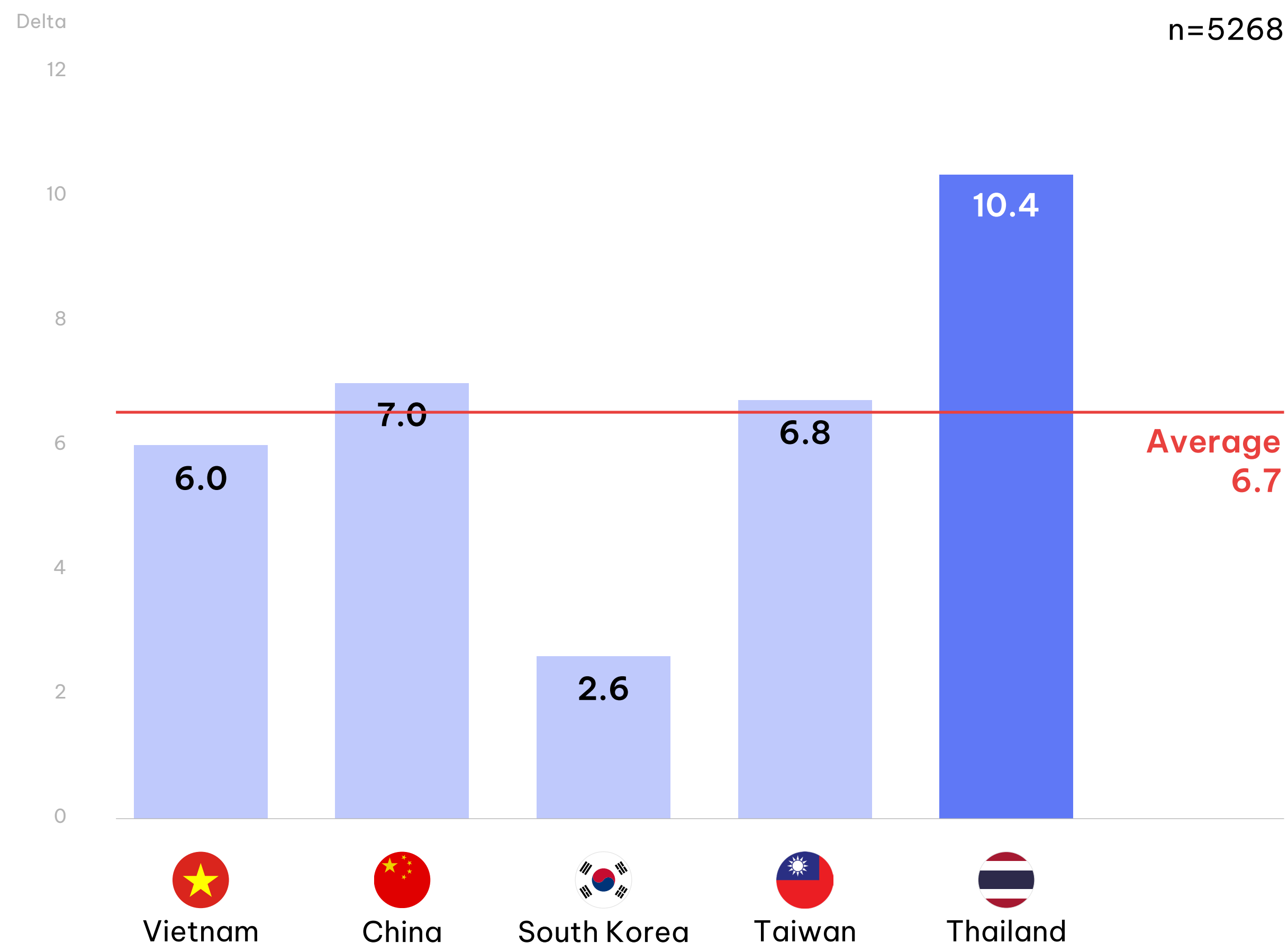


Profit Expectations Level

Delta is used to calculate a person's profit expectation or loss tolerance threshold, according to Prospect Theory by Tversky & Kahneman, 1992. A higher Delta indicates that the individual is willing to take on more risk.

The weighted average profit expectation of cryptocurrency investors is 6.7, meaning for every dollar spent they expect to get back 6.7 dollars.

Thailand has the highest index (10.4) among them, while **Korea** has an index of 2.6.



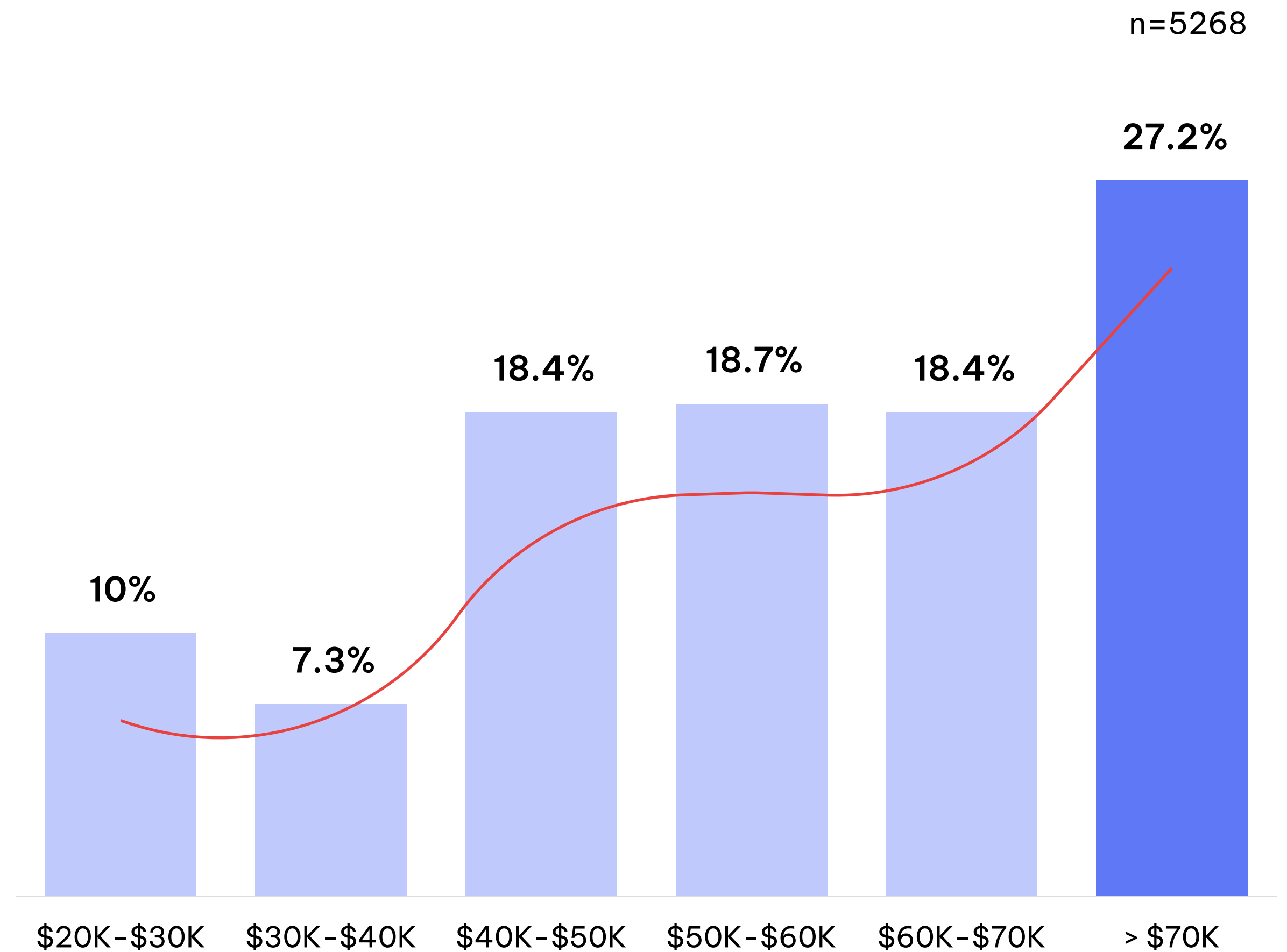
4. MARKET SENTIMENT

Bitcoin Price Prediction for 2024

At the end of 2023, BTC was at \$42,300, which is exactly what the majority of survey participants predicted at *mid-year*, which was \$30K-\$50K.

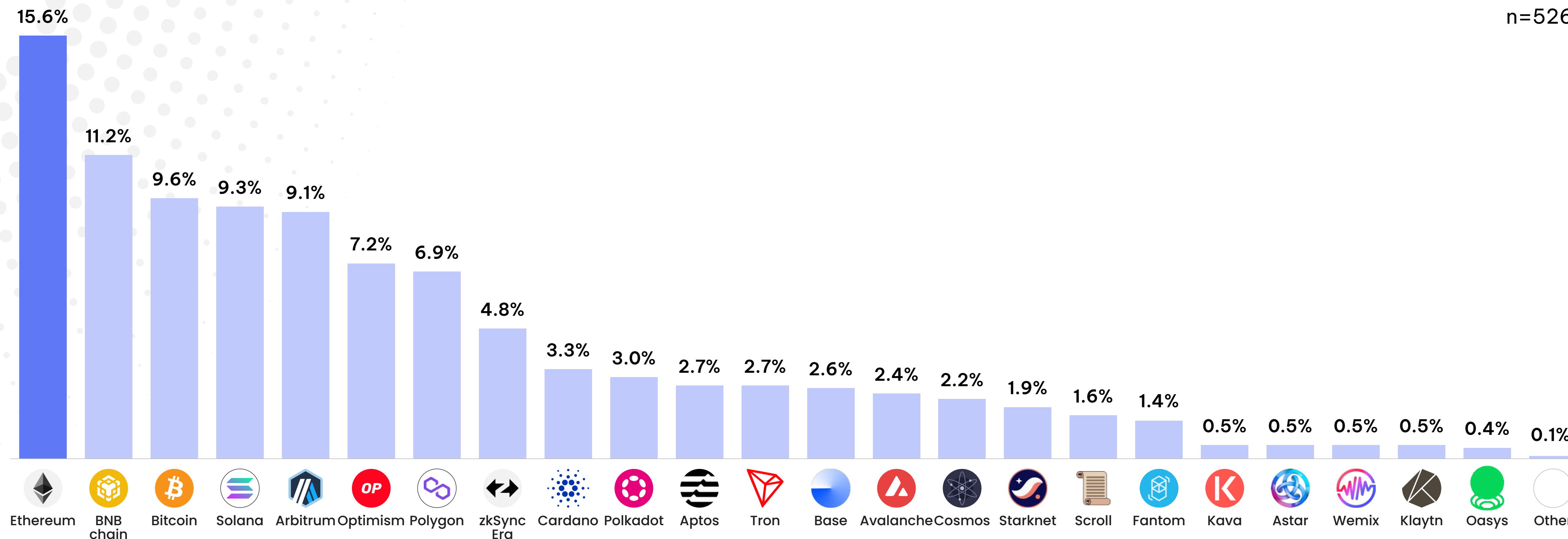
The general outlook on Bitcoin price is very **bullish** at the moment, with the highest proportion of investors believing that Bitcoin will exceed **\$70,000** by 2024.

Up to **83% of investors** believe BTC will be worth **more than \$40,000**, the price at the time of the survey.



Popular Ecosystem

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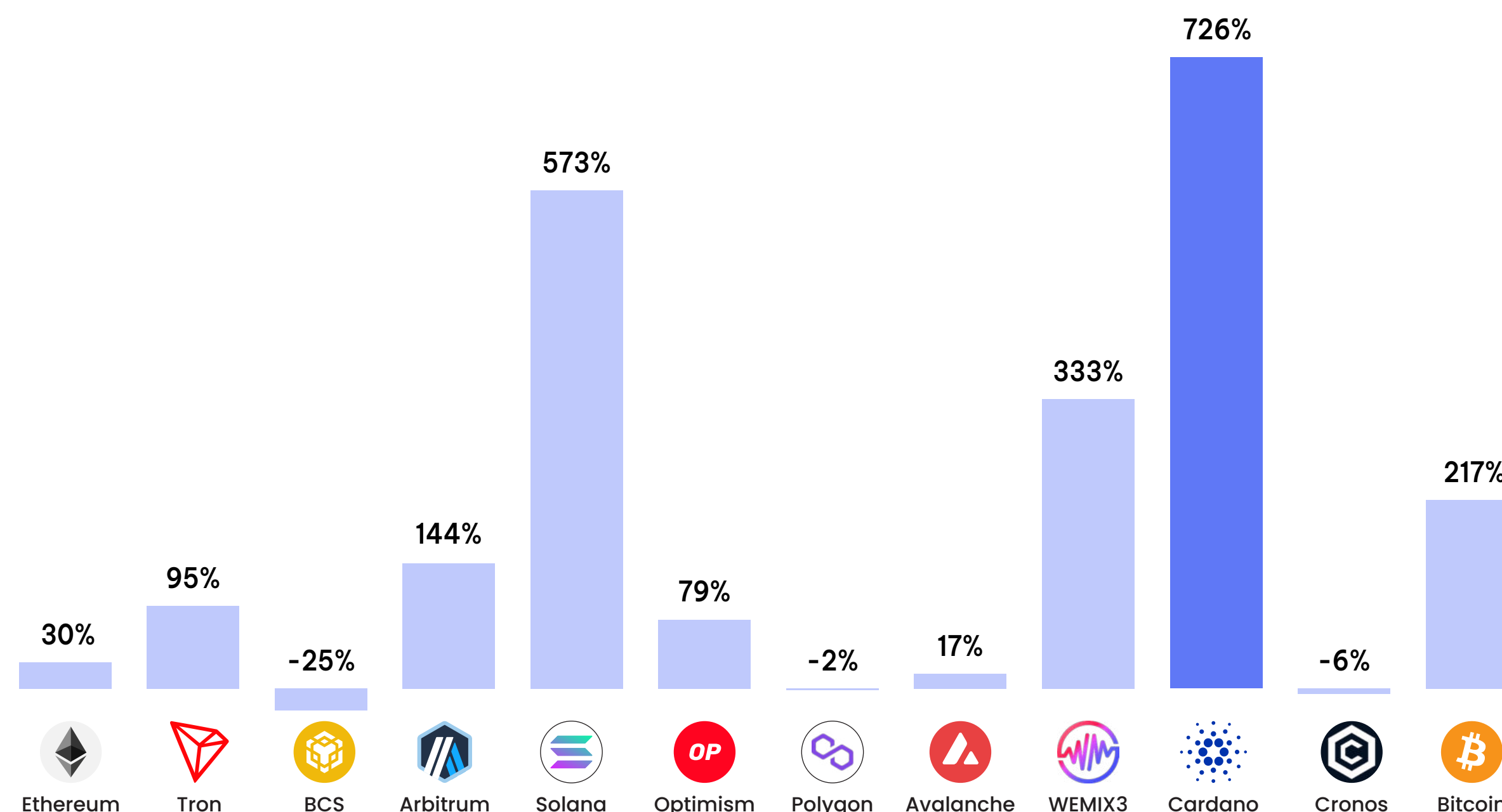


At the time of writing, **Ethereum** and **BNB Chain** remain as the two hottest ecosystems with the most attention.

If Arbitrum and Polygon were the top 3 and 4 ecosystems in mid-2023, they have now been overtaken by **Bitcoin** and **Solana**, as the Inscription trend has resurfaced. Solana has also surpassed Ethereum for total NFT transaction volume in December (CryptoSlam). The popularity shift is also reflected through changes in Total Value Locked.

Total Value Locked

Growth rate in 2023



Ranking

Jan 1, 2023

1. Ethereum 58.3%
2. BSC 12.3%
3. Tron 10.8%
4. Arbitrum 2.7%
5. Polygon 2.4%
6. Avalanche 2%
7. Optimism 1.3%
8. Cronos 1.0%
9. Fantom 0.9 %
10. Mixin 0.7 %
11. Others 7.6%

Dec 31, 2023

1. Ethereum 53.7%
2. Tron 15.1%
3. BSC 6.6 %
4. Arbitrum 4.6%
5. Solana 2.7%
6. Optimism 1.7%
7. Polygon 1.7%
8. Avalanche 1.7%
9. Base 0.8%
10. Cardano 0.8%
11. Others 10.6%

Source: DefiLlama






The outstanding growth in Total Value Locked (TVL) over the last year demonstrates the popularity of non-EVM chains, led by **Cardano** and **Solana**. These two ecosystems have snatched Ethereum's market share, along with Layer 2s such as Arbitrum, Optimism, and Base.

5. ON-CHAIN DATA ANALYSIS

Data powered by  QUANT and  CyberConnect for Ethereum, BNB chain, Polygon, Optimism, Arbitrum, Base, and other EVM chains.

Comparison of Parameters

Source: Octan Network

| <i>Note: Data and USD rate as of Dec 31, 2023</i> | Total transactions | | Total wallet addresses | | Total gas spent | |
|---|--------------------|----------|------------------------|----------|----------------------|----------|
| | Amount (Million) | % Change | Amount (Million) | % Change | Amount (Million USD) | % Change |
|  Ethereum | 2,143 | 17% | 249 | 14% | 15,619 | 15% |
|  Polygon | 3,105 | 35% | 398 | 83% | 47 | 105% |
|  BNB Chain | 4,859 | 29% | 377 | 68% | 1,019 | 20% |
|  Optimism | 281 | 190% | 14 | 1,920% | 4 | 1,975% |
|  Arbitrum | 172 | 360% | 48 | 480% | 4,340 | 26% |






Layer 2 - **Optimism and Arbitrum** have had **outstanding growth rates** in Total transactions, Total wallet addresses, and Total gas spent, as compared to Layer 1. Arbitrum's airdrop push at the start of the year laid the groundwork, while Optimism began to spike following the June Bedrock update.

However, Layer-2s still have a long way to go before it can catch up with the preceding chains. It's worth noting that Arbitrum had a significant rise in the number of transactions, but the total gas consumption only increased slightly, an evidence of the chain's gas efficiency.

Comparison of EVM chains

Ethereum is still the Blockchain with the most Daily Active Contracts (DAC) due to the established DeFi ecosystem, while **BNB chain** leads in Daily Active Wallets (DAW). However, when it comes to the proportion of DAC over Total contracts and DAW over Total EOAs, **Polygon** and **Arbitrum** are the two blockchains that outperforms the others.

Source: Octan Network






| | DAC | Proportion | DAW | Proportion | Inertial wallet | Proportion |
|--|--------|------------|-----------|------------|-----------------|------------|
|  Ethereum | 21,589 | 0.052% | 380,242 | 0.182% | 27,036 | 0.013% |
|  Polygon | 14,144 | 0.118% | 390,421 | 0.107% | 42,466 | 0.012% |
|  BNB Chain | 1,679 | 0.010% | 1,159,506 | 0.304% | 74,891 | 0.020% |
|  Optimism | 551 | 0.059% | 71,809 | 0.151% | 5,350 | 0.011% |
|  Arbitrum | 1,578 | 0.095% | 159,927 | 1.307% | 4,604 | 0.038% |

Despite **Optimism** and **Arbitrum** experienced significant growth, the number of DAW could not be maintained at a high level once the airdrop hunting fever subsided. It is worth noting that both quantity and percentage of inertial wallets is relatively low, which raises the question of whether Layer 2s do retain users. To verify this hypothesis, let's evaluate the GRS parameters in more detail.

Global Reputation Score (GRS)

The Global Reputation Score (GRS) is a quantitative method that compares and measures the importance and quality of an on-chain entity among others within a blockchain ecosystem, whether it is an individual wallet (EOA) or a smart contract (CA). Reputation scores are derived and computed from on-chain transactions, using adaptive Google PageRank algorithms, invented by Octan Network. The higher the GRS score, the more important and influential that entity appears to be, or simply be described as a **quality dapp/user**. [\(Read more\)](#)

Source: Octan Network

| | Contract | | EOAs | |
|--|------------|-------------|------------|-------------|
| | Median GRS | Average GRS | Median GRS | Average GRS |
|  Ethereum | 0.001 | 0.213 | 0.0004 | 0.0118 |
|  BNB Chain | 0.003 | 0.217 | 0.0016 | 0.0045 |
|  Polygon | 0.002 | 0.325 | 0.0009 | 0.0085 |
|  Optimism | 0.014 | 16 | 0.0005 | 0.1123 |
|  Arbitrum | 0.012 | 0.612 | 0.0100 | 0.0520 |

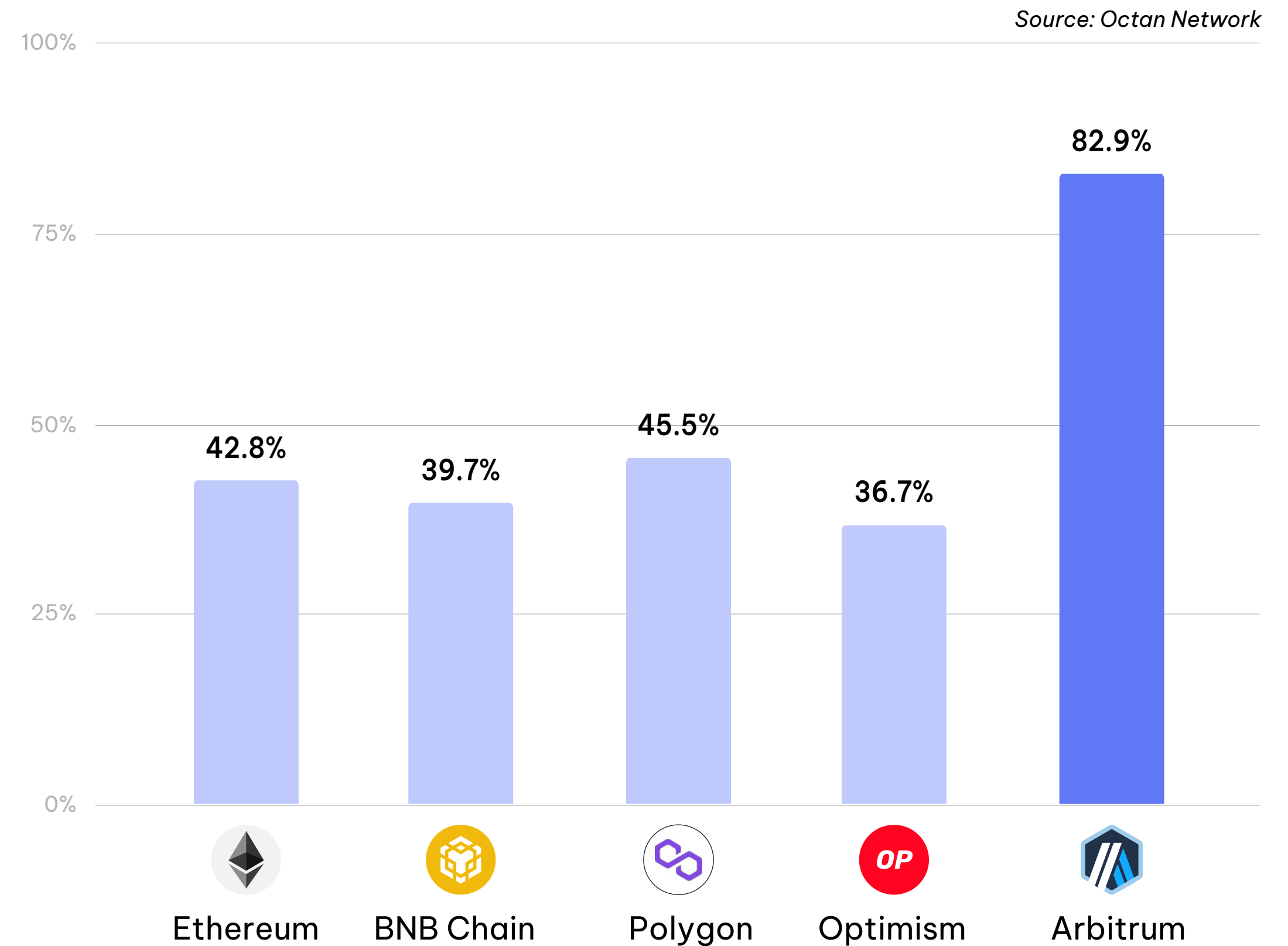
Optimism and **Arbitrum** have the highest average and median GRS index of EOA and CA. This demonstrates that, while the number of active wallets on Layer 2s have decreased since the airdrop wave, the wallets that are still active are all real users.

Category – DeFi

DeFi is still the leading sector with the most TVL in the crypto market. **Ethereum** remains as the most popular Blockchain, with over 900 contracts, followed by **Arbitrum** (828) which has the highest proportion of DeFi over Total contracts, among all chains.

On the technical side, last year witnessed several outstanding advancements in the field, such as cross-chain communication to help increase interactions between blockchains, ERC-4337 accounts abstraction to improve user experience, and the development of derivatives exchanges such as dYdX V4.

Proportion of DeFi Contract

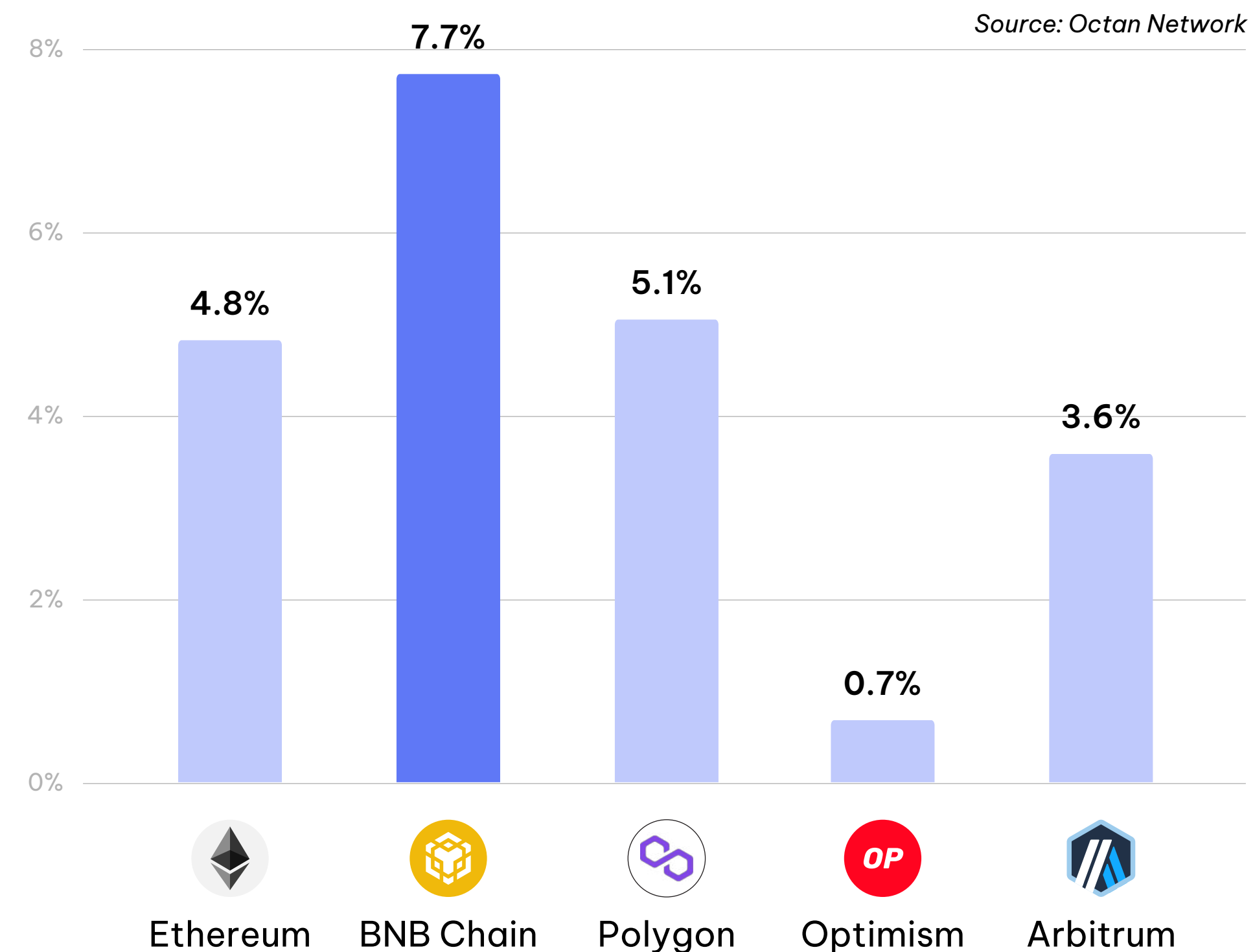


Category - GameFi

GameFi has received a lot of attention in the final days of 2023 and is **expected to grow** even more in 2024. After 3 years of the segment consolidating and building, this will be an opportunity for highly funded Triple-A games to re-enter and capture the market.

Along with the GameFi trend, **Fully On-chain Games** are an emerging trend as a completely new experience when all assets and game logic are to be on-chain, opening up endless customization possibilities for players. Young blockchain infrastructures such as **Starknet, Ronin** or **Ancient8** are also racing with the giants (BNB Chain, Polygon) to meet the increasing needs of users and games.

Proportion of GameFi Contract



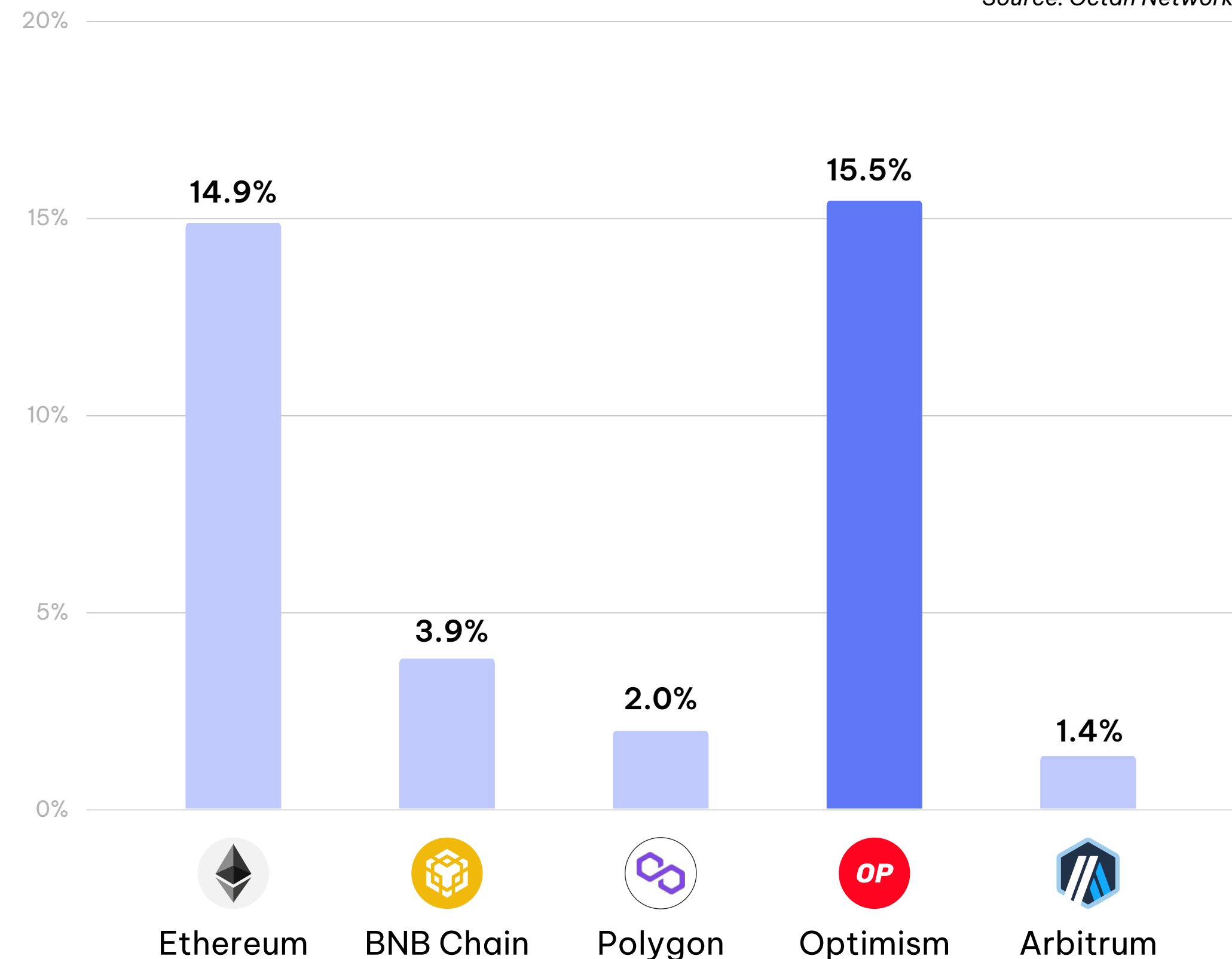
Category – NFT

The NFT market experienced its worst period in 2023, when transaction volume bottomed, 96% down from Jan 2022’s peak - \$5.6B to \$242M. However, there have been **signs of a return** as December recorded \$800M in traded volume, equivalent to a 231% growth rate versus the trough three months prior.

Ethereum continues to host the majority of large collections with 314 contracts, while **Optimism** has the highest proportion of NFT among all chains.

Proportion of NFT Contract

Source: Octan Network

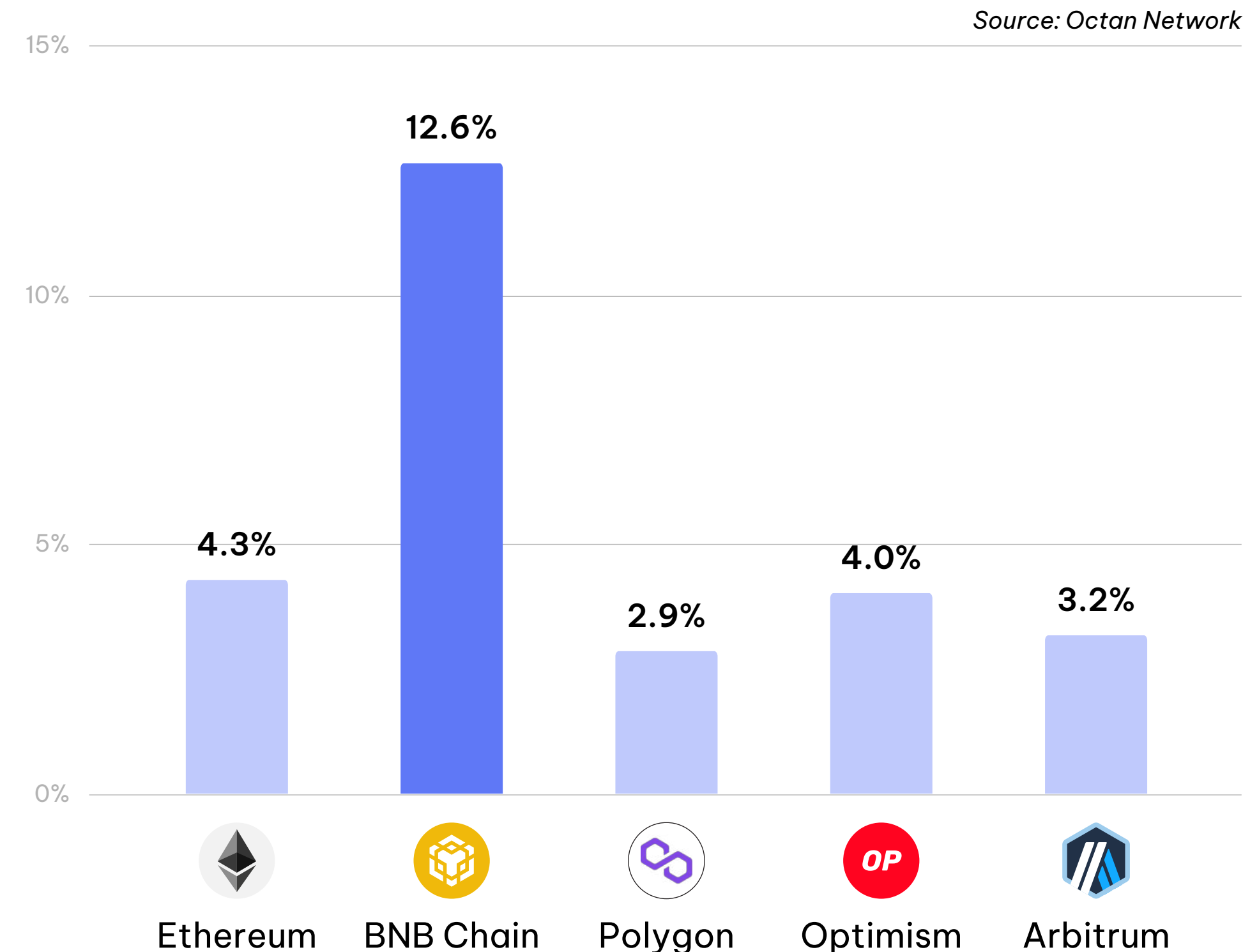


Category – SocialFi

Although SocialFi is expected to be a thriving segment in 2023, its initial hype has run out of steam in the second half of the year when Friend.tech's TVL dropped by 40% from its high (DefiLlama). Meanwhile, its successors appear to be struggling to attract users.

BNB Chain is the favorite blockchain for SocialFi projects, following CyberConnect who received investment from Binance Labs. Their products (CyberID and Link3) also attract the most users from Asian countries and regions including India, Vietnam, Hong Kong, China, Singapore, Indonesia and Japan.

Proportion of SocialFi Contract



EPILOGUE



The second half of 2023 saw the market maintain its upward momentum and the return of excitement in a variety of areas, including blockchain activities, retroactive airdrops, meme coin mania, NFT peaked on Solana, SocialFi and Inscription trends. The resumption of investor confidence, as well as the FOMO surrounding the rumored Bitcoin ETF Spot approval, have all contributed to this bull-run.

However, the cryptocurrency market continues to face numerous challenges, as legal authorities have increased their efforts to intervene more deeply in supervising the industry. On the other hand, major hacks raise new concerns about DeFi project security.

In 2024, Layer 1 and Layer 2 projects should remain the spearhead that will propel the market forward with new trends. This year will also be a pivotal year, with many significant macroeconomic and geopolitical events that play a significant role in shaping the development of cryptocurrency in this decade.

LIMITATIONS



The project team is aware of the report's limitations. First, the number of samples collected from different countries is uneven, resulting in a certain bias in the survey data, with the majority of respondents coming from Vietnam. Second, the on-chain data used for this report is provided by a third party and is constrained by the number of blockchains, projects, and other technical constraints that may arise during the process. Thus, we used data cleansing and data analysis methods to mitigate the limitations.

DISCLAIMER



The purpose of this report is to provide information and accurately reflect the results of a market survey conducted in December 2023. The report's information and interpretations do not constitute investment advice. This report is entirely non-profit; Kyros Ventures and Coin68 receive no funding from any of the projects or communities mentioned in it. We hope readers understand and appreciate the report's honesty and integrity. As a result, we hope that everyone will continue to support and spread these values in the future.

We would like to express our sincere gratitude to our partners, the community, and everyone who participated in the market survey. Your valuable contributions have been a great source of motivation for our team to produce this report.



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KYROS
VENTURES

60 Coin
Sixty
Eight

THANK YOU
THANK YOU
THANK YOU

