Struggling in the Deep Bear, DeFi & CeFi 2022 Annual Analysis Report

Jan 13, 2023

SharkTeam, a leading blockchain security service team, offers smart contract audit services for developers. To satisfy the demands of different clients, thesmart contract audit services provide both manual auditing and automated auditing.

We implement almost 200 auditing contents that cover four aspects: high-level language layer, virtual machine layer, blockchain layer, and business logiclayer, ensuring that smart contracts are completely guaranteed and Safe.

The entire crypto industry seems to be shrouded in a layer of gloom in 2022, with the Luna crash in May and the FTX crash in November, the crypto industry has continued to be in turmoil for almost the entire year.

Luna, which had a market cap of $41 billion, quickly collapsed in just a few days, with the price falling off a cliff from nearly $90 all the way to $0.00015. Luna is at risk of a “death spiral”, creating its own scenario through the Anchor Protocol, shaping the demand for a stable coin UST, and making it bigger. UST’s scale, to attract users into the market. The rapid growth of user volume also brings excellent data performance of Luna ecology (TVL, number of addresses, number of projects, etc.) and pushes up the price of Luna. the Luna project owners or foundations cash out through Luna and subsidize user deposits to maintain high annualized returns, and so on. But when the Luna price collapses and the market capitalization becomes low, the risk of UST de-anchoring becomes greater, and the higher the cost of maintaining consensus, the higher the death spiral. on May 7, 2022, LUNA/USD fell 20% to $61 between May 7 and May 8 after a massive sell-off of $285 million worth of USTs by giant whales. as a result of this sell-off, USTs briefly lost pegged to the U.S. dollar, falling to a low of $0.98. On May 10, 2022, the UST was again significantly decoupled from the U.S. dollar, falling to $0.68. At this point, the market as a whole plunged and Luna was not spared, and a death spiral ensued. the epic collapse of Luna and UST saw market capitalization go to zero, investors lost a lot of money and withdrew their funds in panic, leading to a phased devaluation of some assets, and USDT also experienced a short-lived run on the market, and many institutions with heavy positions, crypto celebrities and a host of associated projects were hit hard as a result, such as Venus protocol suffered a loss of $13.5 million, among others.

FTX, once the world’s second largest centralized cryptocurrency exchange, began processing user withdrawals on Nov. 9 and subsequently entered bankruptcy proceedings. on Dec. 13, FTX founder SBF was arrested in Panama and will be extradited to the U.S. and face multiple charges. According to statistics, the collapse of FTX caused $9 billion in losses. 130 affiliates of FTX filed for bankruptcy together, including its independent U.S. platform FTX.US. The Luna crash was like the first domino to fall in the cryptocurrency world, bringing a “butterfly effect” no less than the “Lehman Brothers” incident in 2008. “After the Luna crash, 3AC, which invested in Luna/UST, went bankrupt, Voyager, which lent money to 3AC, went bankrupt, Alameda, which acquired Voyager, went into liquidity crisis, and FTX, which lent money to Alameda, went into liquidity crisis. Alameda’s FTX was also in a liquidity crisis (Alameda obtained the loan by pledging FTT) and eventually went bankrupt.

The risks of the crypto market have also caught the attention of governments, which have introduced corresponding policies in 202. on June 3, Japan became the first country in the world to create a legal framework to address stablecoins. The parliament passed a bill defining them as digital currencies and claiming that stablecoins must be pegged to the Japanese yen or other fiat currencies while guaranteeing holders the right to redeem them at par. on September 16, the U.S. White House released its first crypto regulatory framework. With a clear focus on customer protection, crime prevention and the possible introduction of CBDC, it is clear that the government wants to take advantage of the opportunities presented by cryptocurrencies while addressing the risks. on October 10, the European Parliament committee passed the Market Regulation of Crypto Assets Act (MiCA). on November 10, EU parliamentarians voted to pass the Digital Operational Flexibility Act, which will impose strict cybersecurity regulations on cryptocurrency providers. On October 31, the Hong Kong SAR Government of China issued the “Policy Statement on the Development of Virtual Assets in Hong Kong”, stating the government’s policy position and guidelines on the development of a thriving virtual asset industry and ecosystem in Hong Kong, clearly stating that it embraces the metaverse and welcomes Web3.

Overall, the cryptocurrency market struggled in 2022 in a deep bear environment, but embracing regulation and the diversification of DeFi kept the crypto market alive and with great potential for growth.

1. DeFi

1. Overall Performance

Total Value Locked in the DeFi space opened with $331.326 billion on January 1, 2022, and the TVL float range for the four months since then is $85.1 billion. Since the Luna crash, TVL has fallen 50% to $155.78 billion. The entire crypto market went into a panic and TVL gradually went lower. As of December 20, 2022, the TVL was $70.983 billion, a 78.6% decline in annual TVL.

Looking at the change in volume in 2022, we can see a short-term spike in both May and November, when the crypto market was experiencing Luna, and the risk of a run on FTX, and an increase in trading volume in the DeFi market. on

May 11 DEX volume reached $15.7 billion, setting a new record for the highest volume in 2022, and the user panic index continued to soar. The entire cryptocurrency market is inextricably linked to user activity, and Volume is an important indicator that visually reflects user sentiment.

2. Annual performance of the five DeFi head protocols

DeFi infrastructure has been in the spotlight since DeFi Summer led the entire cryptocurrency market in August 2020, and we've picked five headline protocols in the DeFi space to take a further look at how they will perform in 2022 from a coin price, volume, and TVL perspective.

1.Lido

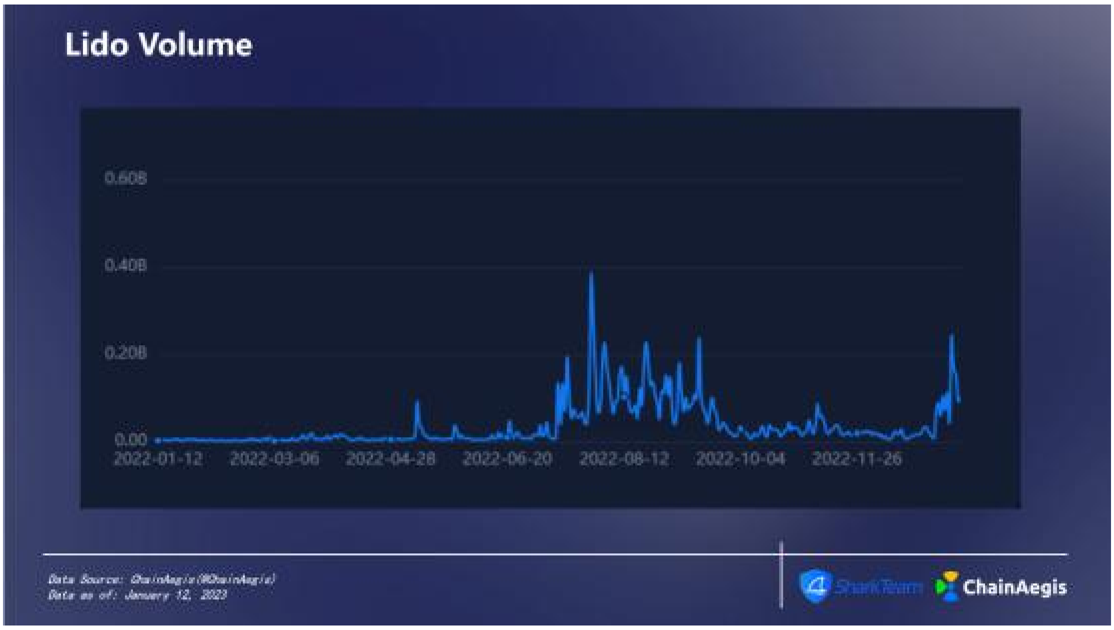
Lido is a liquidity solution protocol for Ether 2.0 pledge. Pledging any amount of ETH on Lido will result in a 1:1 corresponding stETH token and a daily staking reward based on stETH. LDO is its native governance pass and participates in community governance through pledge voting.

Lido, as an important part of the ethereum POS ecosystem, has accepted the first ETH pledge since the end of 2020, and over 93,000 independent wallet addresses have pledged ETH through Lido. The current total pledge volume is over 4.4 million, accounting for approximately 30% of all Ethernet pledges. stETH tokens from Lido can be quickly integrated with popular DeFi tools such as Aave, Maker, and Bancor, and this first-mover status has enabled Lido to rapidly expand and eat into the liquidity pledge market. lido is the first protocol to offer pledge tokens, and is largest pledging entity to date.

Lido DAO members include Semantic VC, ParaFi Capital, Libertus Capital, Terra, Bitscale Capital, StakeFish, StakingFacilities, Chorus, P2P Capital, and KR1. Lido also joined a number of key angel investors, including Stani Kulechov of Aave, Banteg of Yearn, Will Harborne of Deversifi, Julien Bouteloup of Stake Capital and Kain Warwick of Synthetix.

On April 5, 2022, the price of Lido’s native token LDO coin rose to $4.93, reaching an annual high, when it traded at $17.71 million. The price then began to trend downward. In July the coin price started to recover due to the impact of the Ether merger.

The Ether merger has been a hot topic of discussion in 2022. The upgrade of the Ethernet mainnet, where the consensus mechanism shifted from PoW to PoS and verifiers could be rewarded by pledging, once again pushed Lido into the public eye. the trading volume of Lido also fluctuated as users viewed the Ethernet upgrade. on July 28, 2022, the trading volume of Lido was $385,512,687, and the trading volume increased by almost 2 in 24 hours The highest Lido transaction volume record in 2022 was set by a factor of nearly two.



Lido's TVL is mainly distributed on two chains, Ethereum and Terra, with Terra showing a trend of overtaking Ethereum during the month of late February to late March. Ethereum TVL is floating at $600 million.

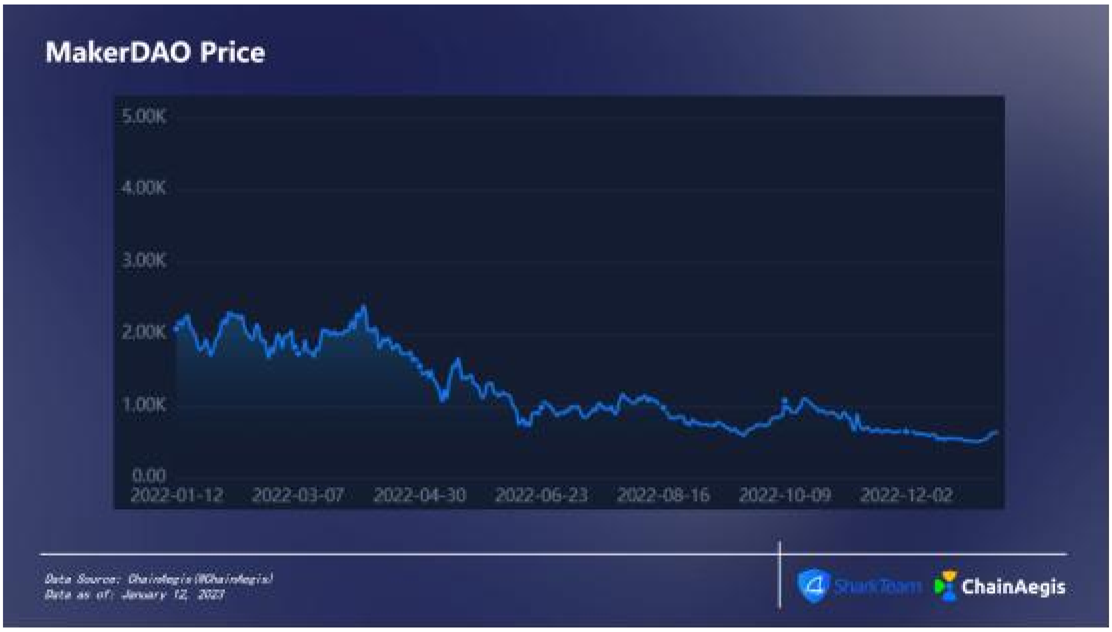
2.MakerDAO

MakerDAO is a decentralized finance (DeFi) project that uses cryptocurrencies as collateral and a stable coin DAI pegged to the US dollar. Its community manages the tokens through a decentralized autonomous organization (DAO). Users generate DAI by locking cryptocurrencies in the Maker earnings pool at a certain forced close ratio. for example, a 125% forced close ratio requires that $1.25 worth of cryptocurrency is collateralized behind every $1 of DAI.

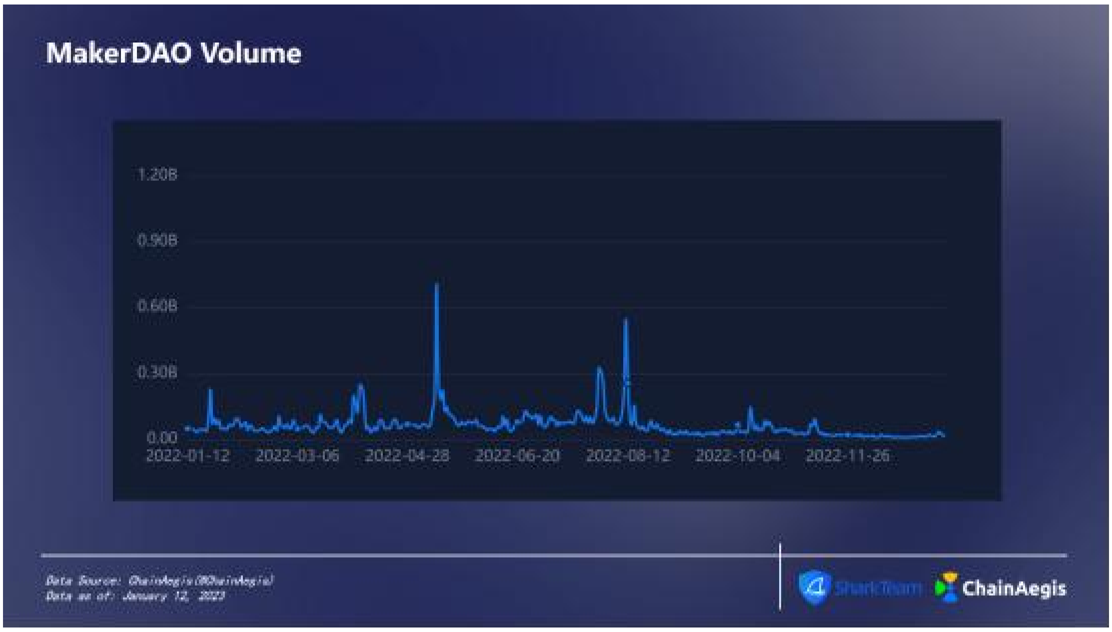
The Maker protocol is one of the largest decentralized applications (dApps) on the Ether blockchain and the first decentralized finance (DeFi) application to gain mass adoption. Users can use it to create cryptocurrency. The protocol currently consists of Dai, a stable coin, the Maker Collateral Vault, an information input system (Oracle, formerly translated as “prophecy machine”) and a voting mechanism. , stabilization rates, collateral types/pledge ratios, etc.) to govern the Maker Agreement.

On April 5, 2022, MakerDAO’s native token, MKR, reached an annual high of $2,392.07 in coin value. It has since gradually declined, with the MKR price at

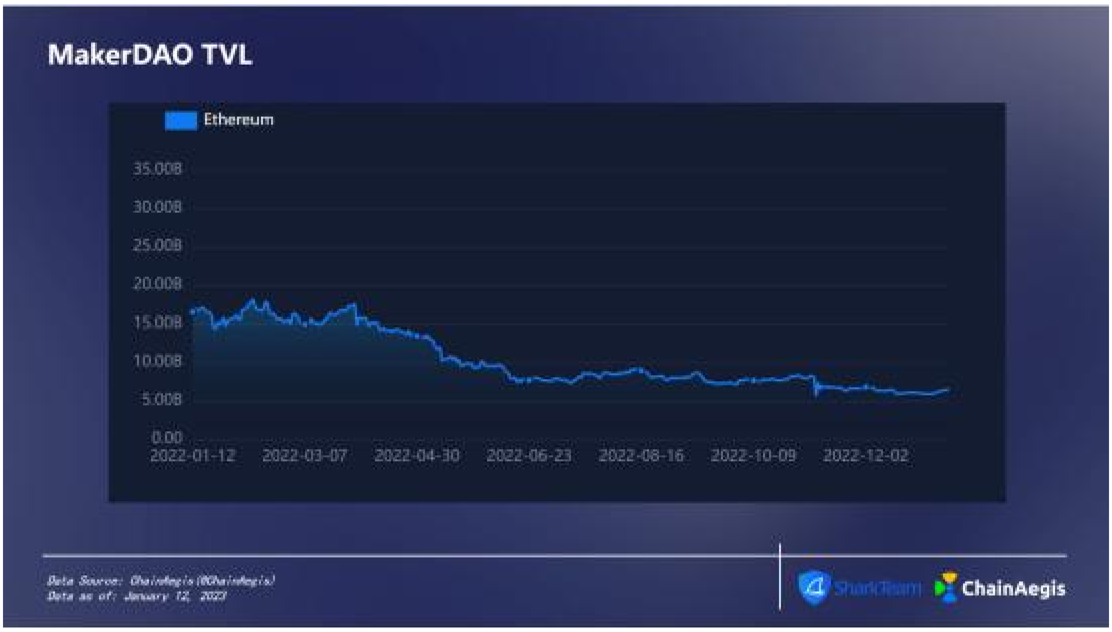
$513.01 on December 31, representing a 78.55% decline in token price over the course of the year.



MakerDAO Volume surged to $705,407.864.19 on May 12, 2022, the highest for the year, then fell back; on July 30, Volume reached $309,692,940. on August 11, Volume traded at 545,076,839, a 76% increase in just a few days.



MakerDAO's TVL is mainly distributed in the Ethereum chain. in FY2022, the TVL was in a declining state overall, with the largest TVL of $17,802,119,153.51 on February 9. on January 12, the TVL was $16,499,781,987.33525; on December 31, the TVL was $5,892,212, 747.37, a decrease of 64.28%.



3. Curve

Curve is a decentralized stablecoin exchange that uses an automated market maker (AMM) to manage liquidity. Its main goal is to allow users and other decentralized protocols to exchange ERC-20 tokens through it with low fees and low slippage. What makes Curve different from exchanges that match buying and selling is that Curve uses a liquidity pool. In order to ensure that transactions can run smoothly, Curve requires a large amount of liquidity (tokens) while offering rewards to liquidity providers.

Curve was launched in January 2020 and it has grown rapidly by protecting the underdeveloped stablecoin market. In August of the same year, Curve launched a Decentralized Autonomous Organization (DAO) with CRV as its internal token.The main purpose of the CurveDAO token is to incentivize liquidity providers on the CurveFinance platform, as well as to involve as many users as possible in the governance of the protocol. All Curve's liquidity indicators receive CRV based on the number of DAOs assigned to it.

Currently CRV has three main uses: voting, pledging and token appreciation. It will require you to vote to lock your CRV and receive veCRV. veCRV stands for vote-escrowed CRV, which simply means locking the CRV for a period of time. The longer you lock your CRV, the more veCRV you will receive.

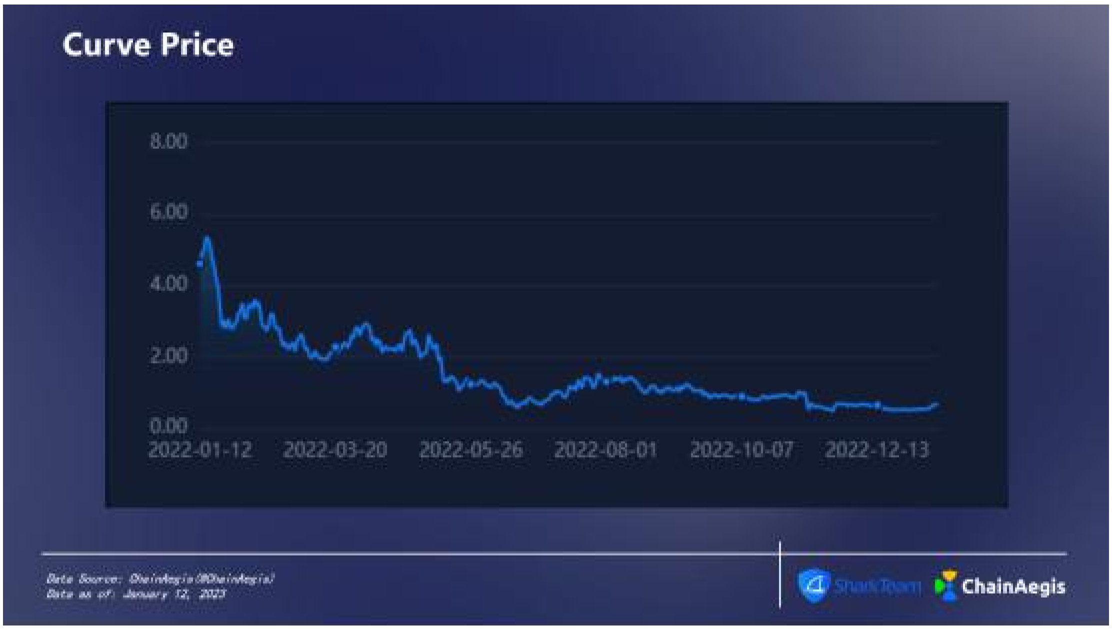
(1) Pledge: CRVs can now be pledged (locked) to receive transaction fees from the Curve agreement. The community-led proposal imposes an administrative fee of 50% on all transaction fees. These fees are collected and applied to 3CRV, TriPool's LP token, which is then distributed to veCRV holders.

(2) Token appreciation: One of the main incentives of CRV is the ability to increase the return to users for the liquidity provided. Voting to lock in CRV gives users the right to vote in DAOs and gives them up to a 2.5x boost on the liquidity offered on Curve.

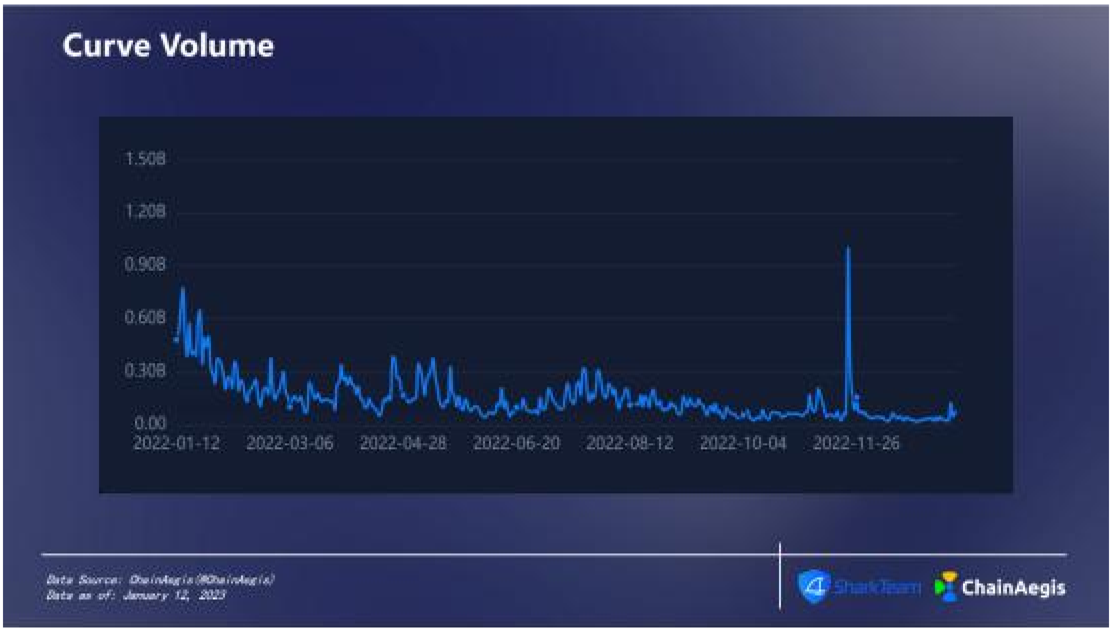
(3) Voting: Once CRV holders vote to lock their veCRV, they can start voting on various DAO proposals and pool parameters.

Curve's founder and CEO is Russian scientist Michael Egorov, who has extensive experience in cryptocurrency-related ventures. in 2015, he co-founded and became the CTO of NuCypher, a cryptocurrency venture that builds privacy-preserving infrastructure and protocols. egorov is also the founder of decentralized banking and lending Egorov is also the founder of LoanCoin, a decentralized banking and lending network.

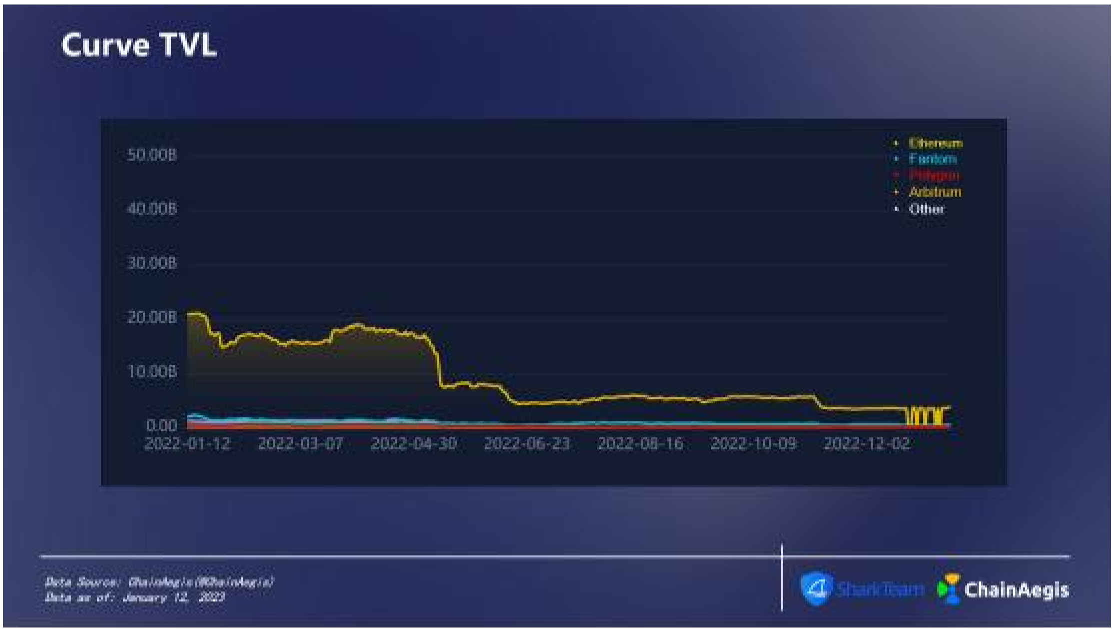
On January 17, 2022, Curve's native token, CRV, reached an annual high with a coin price of $5.15. It has since trended downward, with CRV price at $0.527 on December 31, and the token price has fallen 89.77% in a year.



On January 4, 2022, Curve's trading volume was $1.157 billion, reaching the highest volume of the year 2022. Trading volume then gradually decreased until November 23, when it plummeted to $1.013 billion, representing a more than 15-fold increase in 24-hour trading volume.



Curve's TVL is mainly distributed in the Ethereum chain. on January 1, 2022, Curve's TVL was $23,247,198,884.16 and until May 11, Curve's TVL was above $15 billion. on May 8, after the Luna incident, the TVL dropped 36.27% in one week. It dropped 73.58% in just 2 months.



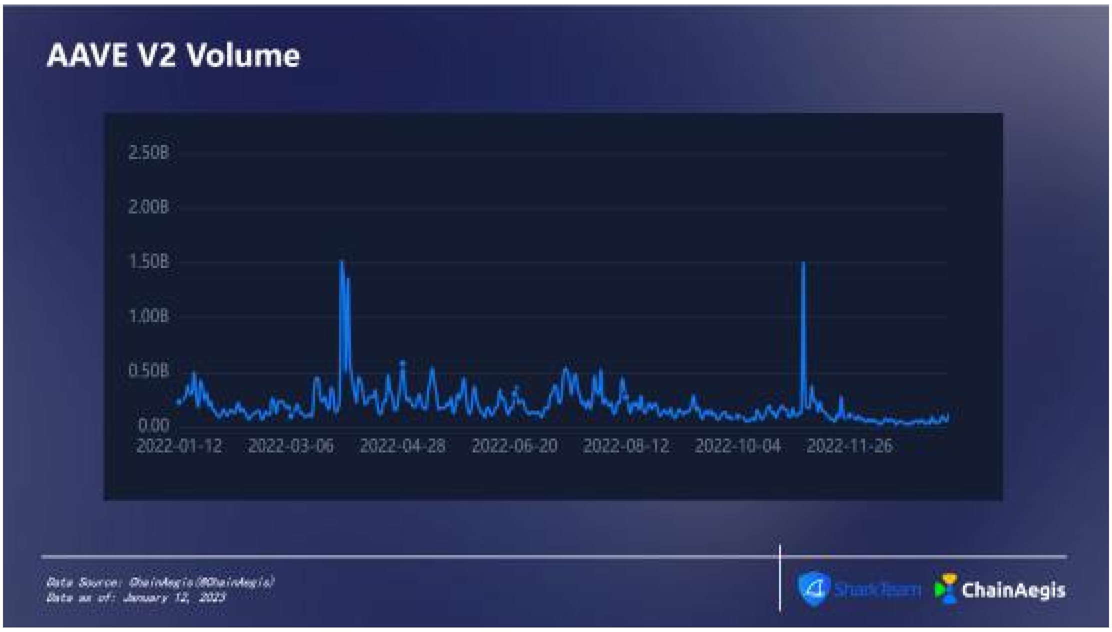
4.AAVE

Aave is an open source and non-custodial protocol that offers various debt-based products in a decentralized manner for earning interest on deposits and borrowing assets. aave accommodates ETH and various stablecoins such as DAI, USDC, etc. Assets can also be borrowed from it in the form of stable-rate loans, floating-rate loans and lightning loans. If a user deposits tokens into Aave's liquidity pool, a corresponding number of aTokens will be received, representing the interest-bearing tokens held by the user. If borrowing from Aave, the user must provide sufficient collateral in another asset to back the loan.

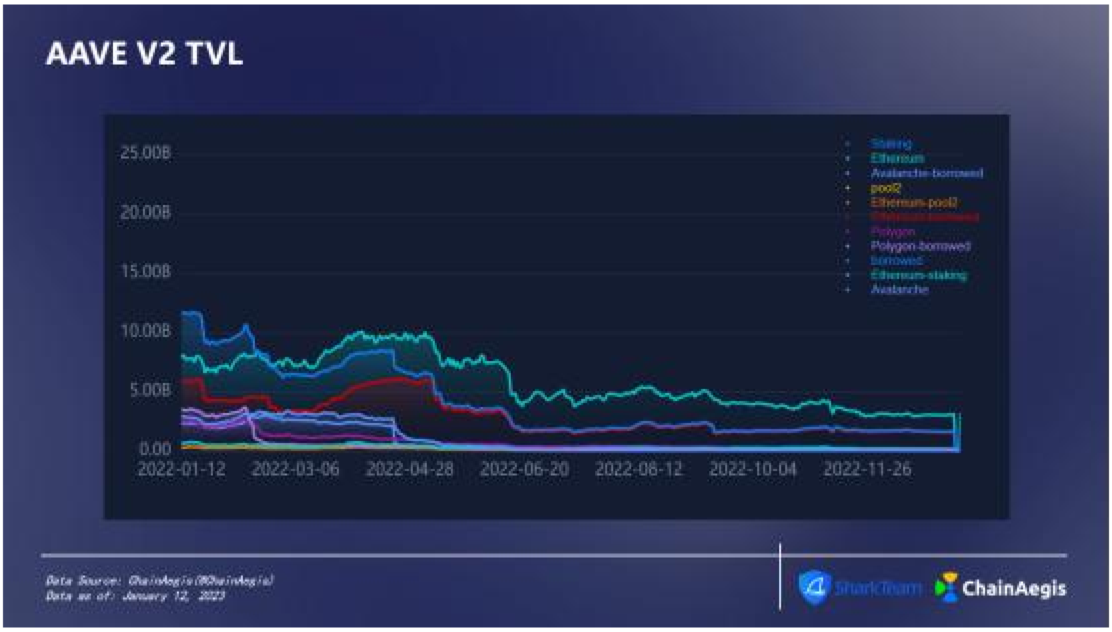
In 2022, the price of its token AAVE was in an overall decline. on April 5, the AAVE price reached a maximum of $245.875175 and on June 18, slipped to a

2022 coin price low of $49.27, with a peak of 196.605. it has since recovered, but not significantly overall.

On March 30, 2022, AAVE V2 traded at a maximum volume of $1,521,109,132.817, up 504.5% in 24 hours. on November 4, the volume surged to $1,497,031,514.



AAVE’s TVL is mainly distributed on the Ethereum chain and on borrowed. on January 2, 2022, AAVE borrowed TVL was $640,311,895.11, with Ethereum second. on February 16, after AAVE borrowed and Ethereum TVL intersected, the Ethereum TVL took the first place after overtaking borrowed. borrowed TVL gradually declined and went hand in hand with Ethereum-Borrowed on May 6 after overlapping with Ethereum-Borrowed, eventually leveling off.



5. Uniswap

Uniswap, the most popular decentralized exchange, is implemented as a set of persistent, non-scalable smart contracts designed to prioritize censorship resistance, security, self-regulation, and to operate without any trusted intermediary that might selectively restrict access.

Uniswap uses automated market makers (AMMs) instead of order books. AMMs replace buy and sell orders in an order book market with a liquid pool of two assets that are valued relative to each other. When one asset is exchanged for the other, the relative prices of the two assets change and a new market rate is determined for both. In this dynamic, the buyer or seller trades directly with the pool, rather than with a specific order left by another party. What sets it apart from traditional markets is the license-free and immutable design of the Uniswap protocol. The license-free design means that the protocol's services are completely open for public use and there is no way to selectively restrict who can or cannot use them. Anyone can swap, provide mobility, or create new marketplaces at will.

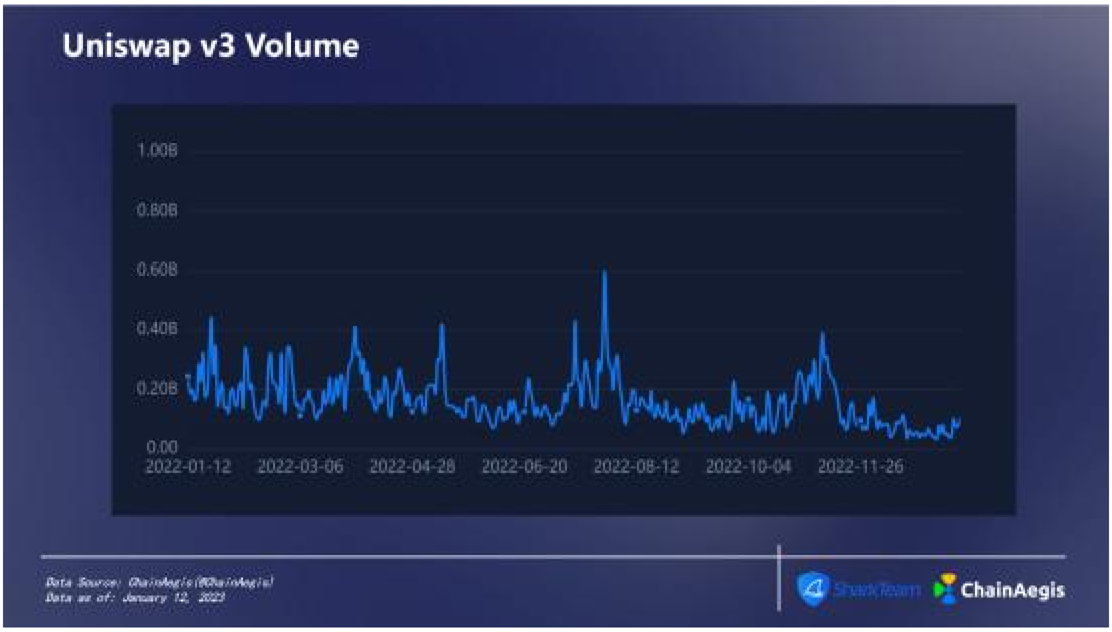
Uniswap v1 was launched in November 2018 as a proof of concept for Automated Market Maker (AMM), an exchange where anyone can pool assets into a shared market making strategy.

In May 2020, Uniswap v2 introduced new features and optimizations, setting the stage for exponential growth in AMM adoption. Since its launch less than a year ago, v2 has facilitated over $135 billion in trading volume, making it one of the largest cryptocurrency spot exchanges in the world. uniswap v3 is even optimized to build on Uniswap v2, making it more liquidity focused.

Uniswap was born in order to introduce AMM on Ether to a broader community. Hayden Adams worked on several projects while completing Uniswap as a developer, with his work directly provided by Ether founder Vitalik Buterin.

On January 17, 2022, Uniswap's native token, UNI, had a token price of $17.82, setting a record high for 2022. The price then began to fall, and by June 13, the price was as low as $3.58. The coin price has been floating at $5 to $9 since then.

On July 28, 2022, Uniswap v3 traded at $590 million, a 66.94% increase in 24-hour volume, reaching the largest volume in 2022.



Uniswap v3's TVL is mainly concentrated in the Ethereum chain. the average annual TVL of Uniswap v3 in 2022 is at $3,547,704,238.27, and the average annual TVL of Uniswap v3 in the second half of 2021 is $2,465,882,376.69, an increase of 43.87%. on August 8, 2022 , TVL reached an annual peak of $4.82 billion.

2. CeFi

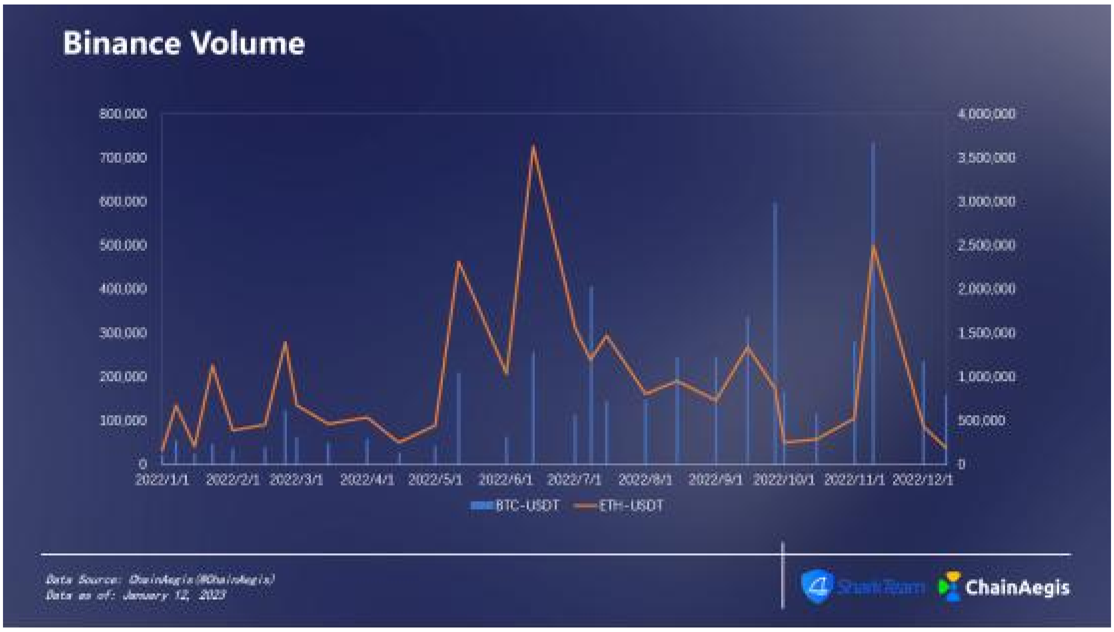
The FTX storm has hit confidence in the cryptocurrency market, especially for centralized exchanges. But for all practical purposes, centralized exchanges are again one of the main gateways for newcomers to dip their toes into the crypto space. We have selected 6 head exchanges and analyzed them in 3 aspects: reserves, trading volume and net traffic.

daily volume

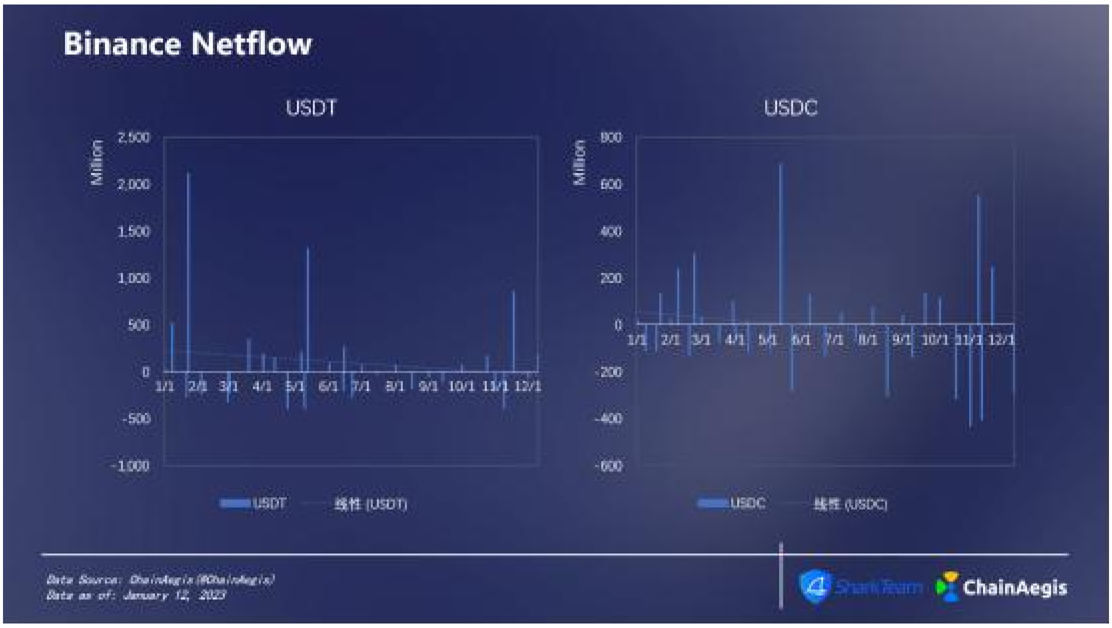
Binance is the world's largest cryptocurrency exchange in terms of trading volume, with a daily volume of $76 billion as of August 2022 and 90 million customers worldwide. The platform has become a trusted member of the crypto space where users can buy, sell and store their digital assets, as well as access more than 350 cryptocurrencies listed and thousands of trading pairs.The Binance ecosystem now includes Binance Exchange, Labs, Launchpad, Info, Academy Research, Trust Wallet, Charity, NFT, and more.

Binance launched in June 2017 and grew to become one of the largest cryptocurrency exchanges in the world within 180 days. As of January 10, 2023, Binance 24 spot trading volume was $8,871,066,072.53 with total assets of $49,491,110,545.33. Its asset reserves are dominated by tokens BNB and BUSD, which together account for more than half of the total reserves at 51.52%.

On November 8, 2022, the BTC-USDT trading volume on the Binance exchange reached its maximum this year at 760,705.36, with a 96.58% increase in 24-hour trading volume. Since then, the volume has exceeded 600,000 for 3 consecutive days. ETH-USDT trading volume reached its maximum on May 13 at 3,626,351.66, doubling the daily volume.



On January 22, 2022, the net flow of USDT on the Binance exchange was 2,114,725,754, representing a large amount of USDT flowing into the exchange. on May 12 and November 18 both had a net flow of over 1 billion. the net flow of USDC was 2 orders of magnitude different from that of USDT, with the largest net flow of 924,764,388.96 on May 12. Inflows and outflows were volatile and the market was unstable in November.

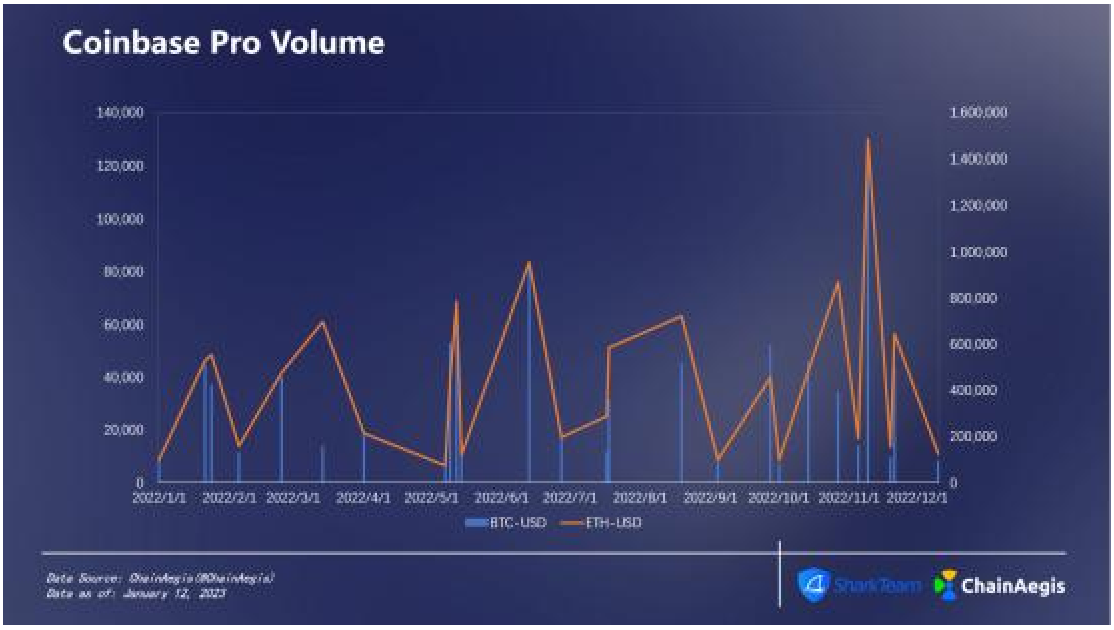


2. Coinbase

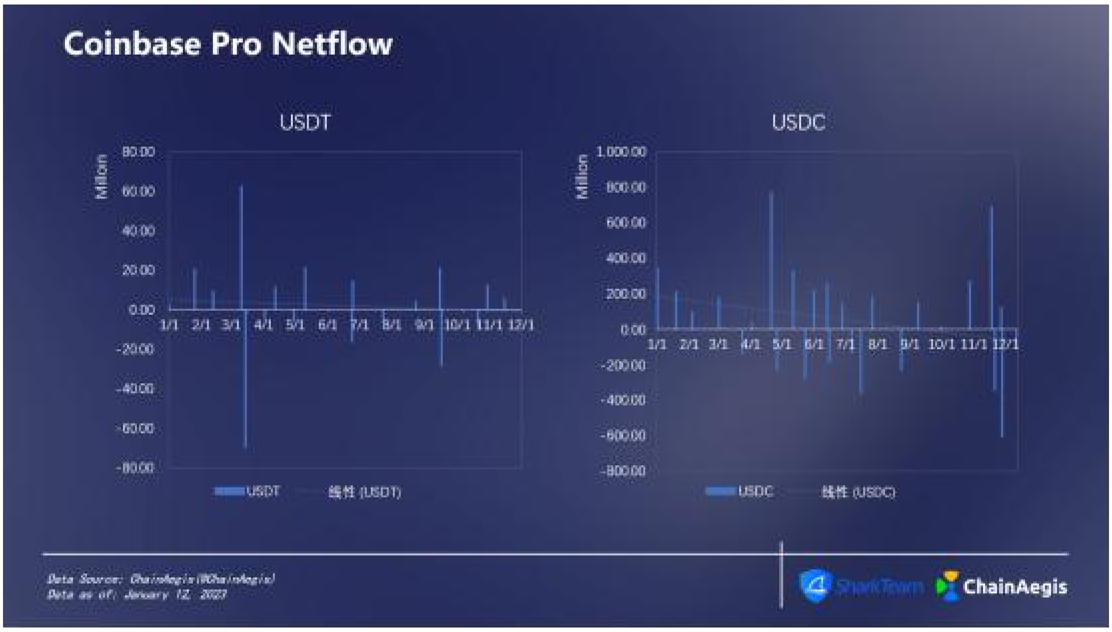
Coinbase Exchange is a US-based cryptocurrency trading and investment platform where users can easily buy, sell, exchange and store cryptocurrencies. The platform is intuitive and beginner-friendly and supports basic trading, digital wallets and PayPal withdrawals.

Coinbase Global was founded in June 2012 in San Francisco, California and has earned the trust of US regulators. Recently, it was charged with violating anti-money laundering laws by allowing customers to open accounts without adequate background checks.

On November 9, 2022, Coinbase Pro's BTC-USD trading volume reached its highest this year at 119,633.96, a 3.7x increase in volume in 3 days, and ETH-USD trading volume reached its highest on that day at 1,483,345.1, with daily trading volume above 800,000 for 3 consecutive days.



On March 12, 2022, the Coinbase Pro exchange USDT net flows were 62.65 million and on the 14th net flows were -69.61 million. Basically when the exchange sees a large inflow, the following days are accompanied by the same level of outflow, and eventually the net flow tends to 0. USDC's net flow differs from USDT by 2 orders of magnitude, with the largest net flow of 770,510,631 on April 20.



3.OKX

OKX (formerly known as OKEx), a cryptocurrency exchange based in the Seychelles, was founded in 2017 and officially launched in Chinese on February 2, 2021. Its main business is to provide users with a wide range of crypto-asset trading services.

The OKX exchange was relatively active in the second half of 2022 compared to the first half, with the daily trading volume of ETH-USDT fluctuating around 100,000 in the first half of the year, reaching a maximum volume of 893,564.11 on January 15, 2022, and a maximum volume of 61,952.08 on November 8, 2022 for BTC-USDT.

OKX Exchange had the highest net USDT inflow of 229324314 on May 11, 2022 and the highest net USDC outflow of 649276 on November 10, 2022.

4.Gate.io

Gate.io was founded in 2013 and has more than 1,400 cryptocurrencies available for trading. gate.io's business mainly includes: trading, derivatives, finance, quantitative followers, NFT, etc.

On July 5, 2022, Gate.io had the largest net inflow of 1,410.19158957 BTC and a net outflow of 412.37 ETH on the same day; on November 13, the largest net outflow of 1,273.49 BTC and a net outflow of 1,209.47 ETH on the same day; on October 21, a net inflow of 317,131.04 ETH, a record On October 27, the net flow of ETH was -61,665.19, the highest ETH outflow in 2022.

Overall, in the first half of 2022, USDT inflows and outflows were almost flat, with a more concentrated outflow in mid-May and a larger base, with the largest net outflow on May 9, at -48,167,607.74. From late April to early May, the overall USDT inflow was relatively concentrated during this period, with the largest net inflow on May 7, at 49,012.83, 834.83.

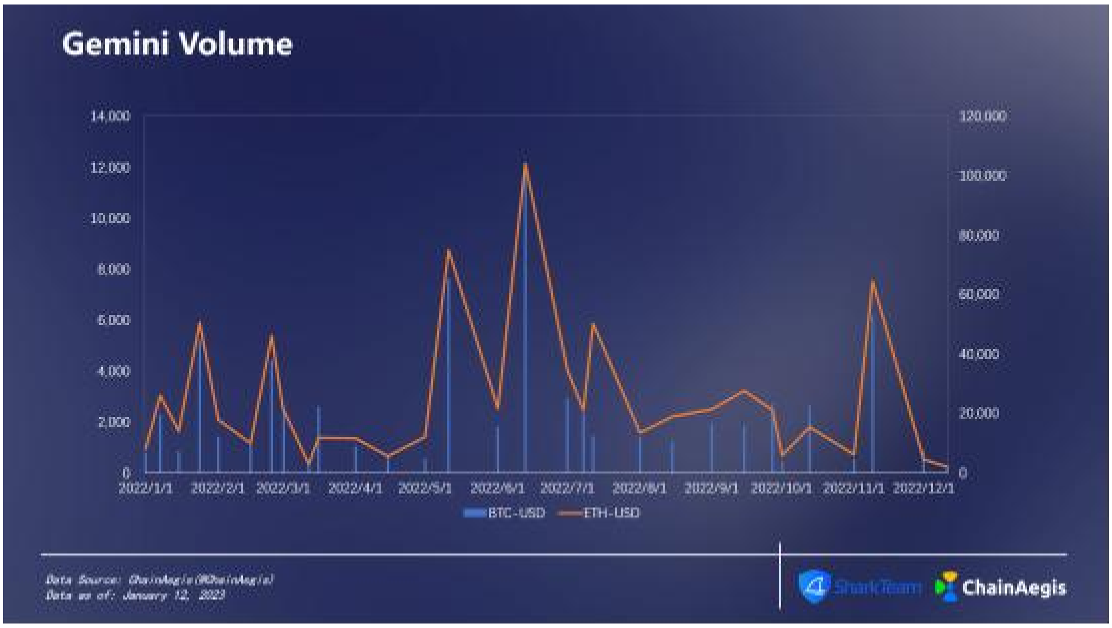
5. Gemini

Gemini is a New York-based cryptocurrency exchange (CEX), regulated by the New York State Department of Financial Services and available in all 50 states and over 60 countries/territories in the United States. The platform is built with a focus on security and compliance, although it offers fewer crypto assets than its competitors, specifically over 120 cryptocurrencies and over 21 cryptocurrency-to-cryptocurrency trading pairs.

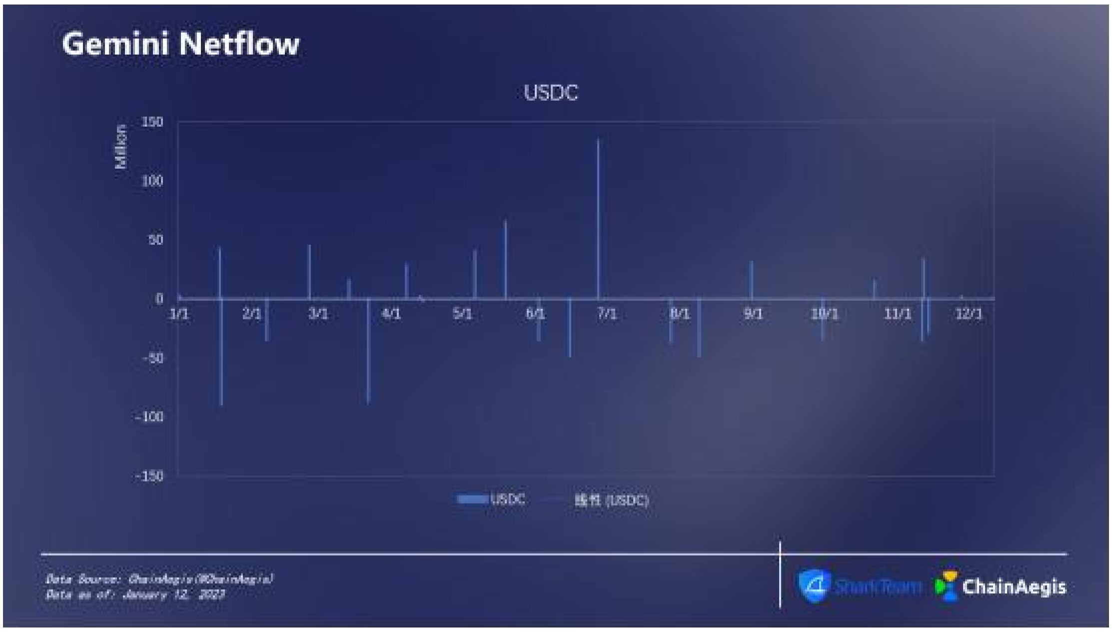
The platform is aimed at both beginners and advanced traders. In addition to an intuitive user interface, the program offers a library of educational content for crypto novices. Customer accounts are well protected and the cryptocurrency exchange is one of the first exchanges to receive the “SOC 1 Type 2” and “SOC 2 Type 2” certifications. The exchange also offers insurance against certain types of losses.

On November 16, 2022, the Gemini exchange ranked third in terms of trading volume. After the impact of FTX and Genesis, trading volume dropped for a while. A month later, it fell out of the top 10 in terms of trading volume due to the revelation that it suffered a data breach affecting close to 5.7 million users.

On June 13, 2022, Gemini exchange BTC-USD volume reached its maximum this year at 11,920.19, with 24-hour trading volume increasing nearly fourfold. ETH-USD volume reached its maximum on May 15 at 112,178.68.



On June 27, 2022, the Gemini exchange USDC net flow was 134,130,992 thousand pieces, with a large amount of USDC flowing to the exchange. on January 19, the USDC net flow was -90,469,473.35 pieces.

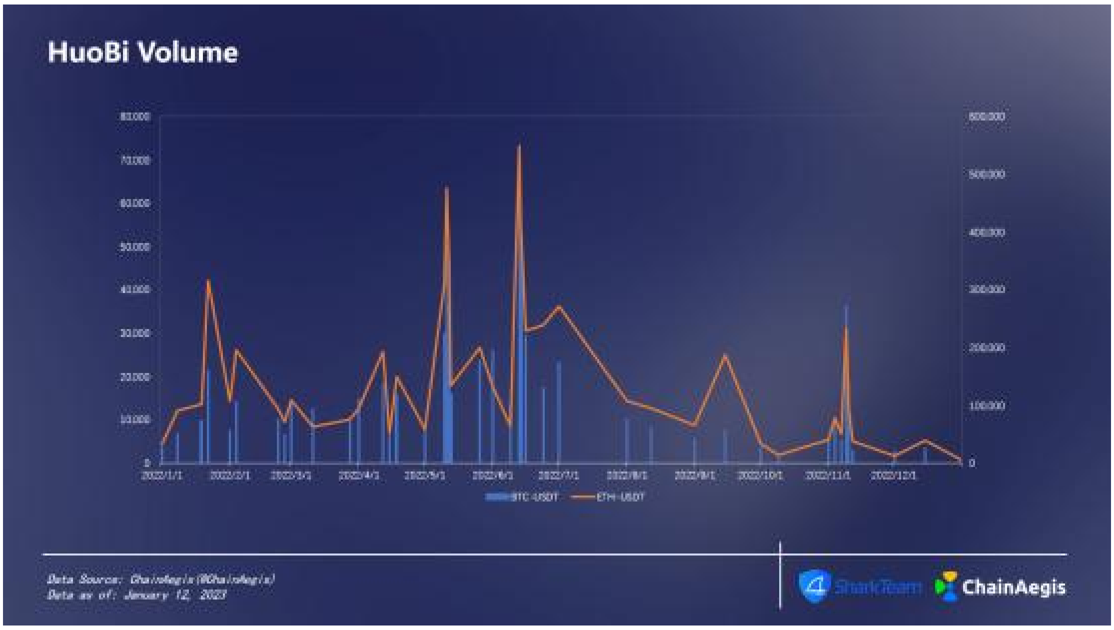


6. Huobi

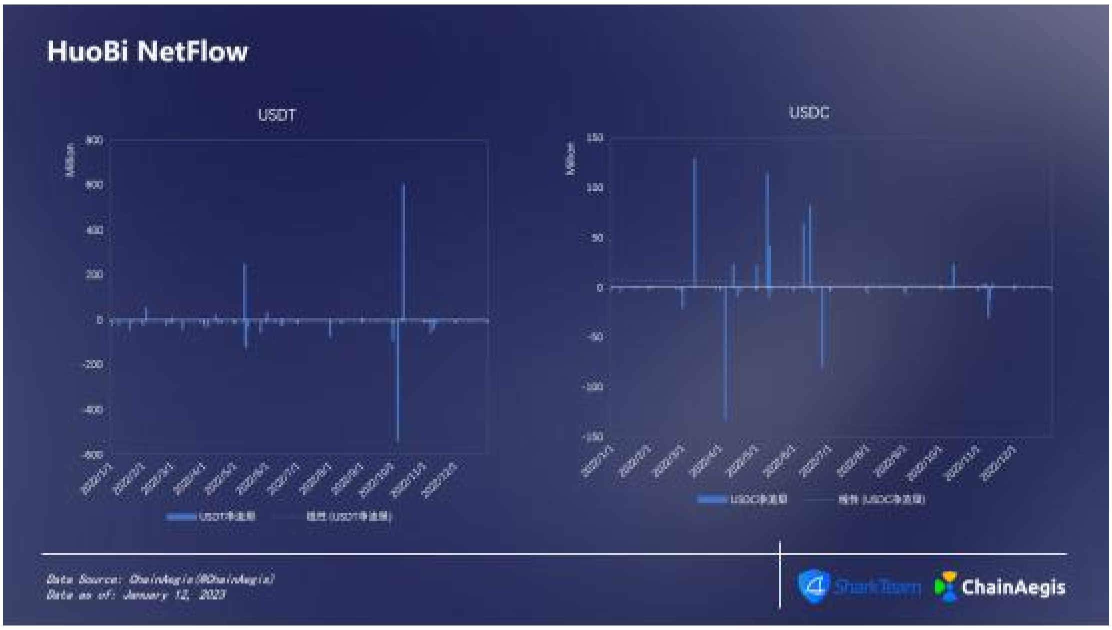
HuoBi was founded in 2013 and changed its Chinese brand name from “火币” to “火必” on November 22, 2022. The platform has over 500 assets and 300+

trading pairs. Its ecosystem includes spot trading, margin trading, futures trading, derivatives trading, pledging, cryptocurrency lending, etc.

On the whole, Huobi BTC-USDT and ETH-USDT trading volumes were mostly concentrated in May and June. on June 13, BTC-USDT and ETH-USDT trading volumes peaked at 69,902.67 and 548,477.7 respectively. on May 11, BTC-USDT and ETH-USDT trading volumes ranked second at the same time. The trading volume was 49,881.39 and 475,629.32 respectively.



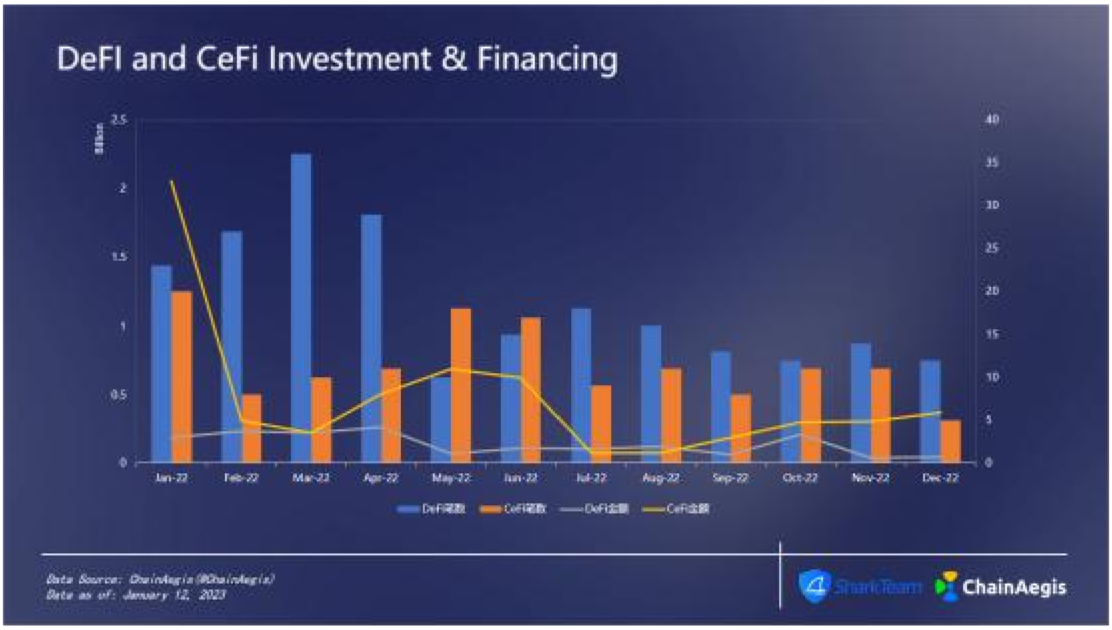
Huobi USDT and USDC net flows are both on a linear downward trend, with USDC's downward trend being slightly larger. October involved two huge inflows and outflows, with Huobi USDT net flows of -538,903,485.07 on October 6 and 599,511,180.78 on October 11, the the two largest net flows in the last three years. In 2022, the overall USDT net flow was low, with some large net inflows, concentrated in the first half of the year, and the largest USDT net flow was -132,649,391.01 on April 5.



3. Investment and Financing Situation and Outlook

According to statistics, the total investment and financing in crypto market in 2022 is 1,537, with a total investment of USD 26,889 million. Among them, the total investment in January 2022 was the highest, amounting to USD 4.378 billion. 182 investments were made in March 2022, the highest in the year. Since May, affected by events such as Luna's thunderstorm, both the amount and number of financing have shown an overall downward trend, with the number of transactions falling 45.57% and the total amount of financing falling 78.96% by December.

In the track funding amount trend chart, CeFi funding amount was $2,053,520,000 in January 2022 and fell off a cliff to $310,000,000 in February, both of which have remained on a downward trend since then. The DeFi track funding amount is nearly unchanged.



CeFi: Regulation, asset transparency paramount

Regulation does not spell disaster for the crypto industry, but rather plays a vital role in its long-term development. Although the regulation of cryptocurrencies is still facing tests and the regulatory system still needs further improvement, in general various countries are actively and positively establishing and improving their regulatory systems. According to statistics, in 2022, over 42 sovereign countries and regions around the world adopted 105 regulatory measures and guidance for the crypto industry. From an overall perspective, the countries whose regulatory policies have a greater impact on the crypto market are mainly Europe and the United States, Japan, Singapore, Hong Kong, China, etc., and their regulatory initiatives will also have a certain impact on the global crypto industry. Cryptocurrency regulation is currently showing several trends as follows.

(1) Globalization and deepening of regulation

Countries will learn from each other’s exchanges, regulatory cooperation will gradually strengthen, regulatory attitudes will gradually be consistent, and the degree of regulation will gradually be unified; for the time being, with the promulgation of laws and regulations, there are ambiguities in the boundaries of cryptocurrency regulation, which need to be further improved to make the regulatory measures more refined and deeper.

(2) Regulation of centralized institutions such as CEX will become stricter

Since the bankruptcy of FTX and 3AC, the problem of regulation of centralized institutions has surfaced. CFTC mainly supervises crypto derivatives, SEC mainly supervises crypto assets qualified as securities according to the rules, and both can supervise investment companies, but the supervision of FTX and Alameda is obviously insufficient. As a result, many people have called for stronger regulation of crypto assets in the US.

After the bankruptcy of FTX, there was a crisis of trust, and a large number of investors were doubly concerned about the capital reserve situation and the transparency and trustworthiness of centralized exchanges. Although the major exchanges promptly released relevant materials to prove that their on-chain assets are sufficient and users need not worry about them, there is no guarantee of subsequent asset reserves, and users cannot directly conduct a real-time view of the institutions where their assets are located, and this issue is still risky.

2. DeFi: product richness, user experience, liquidity

DeFi is an open global financial system built on blockchain technology that allows users to manage their own assets without the need for centralized management, free from the tedious procedures of banks and other third parties. DeFi has less product richness than CeFi, such as CeFi's unique deposit and withdrawal services; DeFi's user experience is relatively lacking, and the pages are relatively monotonous; in addition, for DeFi, liquidity is one of the criteria that directly reflects the situation on the chain, and TVL is a key indicator to monitor liquidity, once liquidity problems occur, it will lose vitality and create a crisis of trust.

About Us

Our vision is to improve security globally. We believe that by building this security barrier, we can significantly improve lives around the world.SharkTeam composes of members with many years of cyber security experiences and blockchain, team members are based in Suzhou, Beijing, Nanjing and Silicon Valley, proficient in the underlying theories of blockchain and smart contracts, and we provide comprehensive services including threat modeling, smart contract auditing, emergency response, etc. SharkTeam has established strategic and long-term cooperations with key players in many areas of the blockchain ecosystem, such as Huobi Global, OKX, polygon, Polkadot, imToken, ChainIDE, etc

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