

Charting the Unicorn: on \$UNI's on-chain activity, sell-side pressure and short term price potential



Key takeaways:

- 78.2% of designated UNI has already been claimed
- UNI's whale redistribution preceded price correction
- UNI exchange metrics suggest diminishing sell-side pressure, but caution is advised
- UNI's social data earmarks recent price tops
- UNI's on-chain activity declining swiftly, yet remains high
- Transaction dominance: UNI vs SUSHI vs YFI
- UNI-related network congestion issues continue to diminish

Although it's only been a week, Uniswap's new token (UNI) has already given us heaps of on-chain and social data to analyze, speculate and use to make bold predictions about the coin's short-term potential. But before we dig in, here's a very brief history of the latest DeFi phenom:

What is UNI?

For those of you that (somehow) missed it, Uniswap - the largest decentralized exchange protocol - recently rewarded its existing users and liquidity providers with thousands of \$ worth of their new governance token [UNI](#), generating massive hype and propelling the freshly-minted cryptocurrency to spot #31 by market cap at the time of writing.

In light of their 'surprise' token launch, the project has set aside 150,000,000 UNI that can immediately be claimed by **historical liquidity providers, users, and SOCKS redeemers/holders** based on a snapshot taken on September 1, 2020, at 12:00 am UTC.

For more cliffnotes, we wrote a nifty [overview of UNI's launch](#), including a breakdown of the coin's tokenomics, allocation, emission schedule and future roadmap.



Pictured, the price of UNI, all-time (Source: Sanbase)

The price of UNI peaked at \$8.29 approximately 20 hours after launch before starting to head south (more on the reasons why in a moment). The coin eventually dropped to as low as \$3.78 over the next 4 days, and has managed to rebound ever so slightly since. For the moment, UNI continues to hover around the \$5 mark, which has proved to be a crucial resistance level for the young cryptocurrency.

To track the activity of Uniswap's new token and its major stakeholders, we recently launched a set of [UNI dashboards](#), providing real-time data on UNI token distribution, total amount of UNI claimed, amount of UNI on centralized and decentralized exchange, top UNI transactions and more.

Based on this set of metrics, below is an early analysis of UNI's on-chain activity to date, its stakeholder behavior and other fundamental indicators delineating one of the hottest virtual commodities of the year:

UNI's on-chain activity tanks, yet remains high

The UNI token was officially launched on September 17th to raving reviews both off and on-chain. Given the incentives, the coin's network activity peaked almost immediately, with over **178,000** addresses interacting with (sending or receiving) UNI in the first 24 hours.

To put this in perspective, Chainlink (LINK), one of the most popular ERC-20 coins, recorded just **5974** daily active addresses in the same time span.



Pictured: UNI daily active addresses (purple) vs LINK daily active addresses (brown), past 7 days

As users started to claim their free tokens, the amount of unique addresses interacting with UNI has continued to decline, with 'only' 15,771 active addresses recorded over the past 24 hours. Similarly, the amount of **new** addresses created on the network has shrunk from 18,597 on September 19th to 4900 today, marking a 73.6% decline in onboarding new addresses.

While the downtrend in UNI network activity has been swift, it's far from surprising: according to our 'UNI claims' dashboard, the lion's share of UNI claims were executed immediately upon launch, with **over 57.5% of UNI claimed in the first 24 hours**. Naturally, as the 'claim pressure' started to subside, so did the number of addresses interacting with the UNI token:



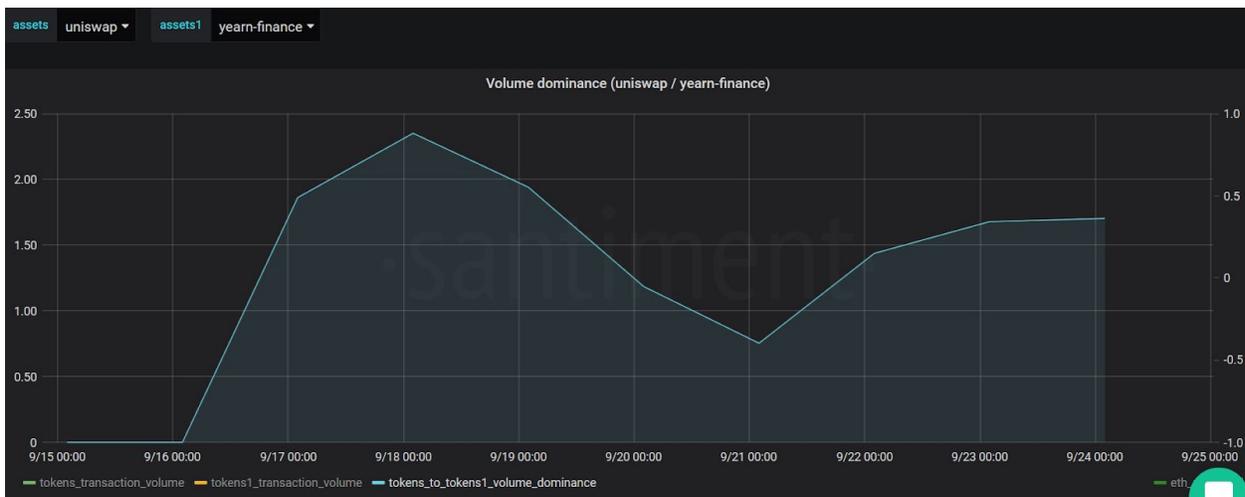
That said, despite the ongoing normalization of its network activity, UNI's on-chain fundamentals remain strong. Going by the current amount of daily active addresses (15,771) makes UNI the **second most utilized ERC-20 coin in the past 24 hours**, trailing only behind ERC-20 Tether. Similarly, UNI's on-chain transaction volume in the past 24 hours (\$128m moved on the network) puts it firmly at #6 among **all** ERC-20 assets.

It's also worth comparing UNI's on-chain activity with that of other DeFi 'supernovas' that managed to capture similar levels of market interest in the previous months: SUSHI and YFI.

So far, UNI's on-chain transaction volume continues to dwarf that of both of its spiritual predecessors. According to our transaction dominance metric, UNI currently processes 5x more value on its network than SUSHI, and about 1.7x times more value than YFI:



Pictured: UNI's on-chain transaction volume dominance over SUSHI (Source: Santiment)



Pictured: UNI's on-chain transaction volume dominance over YFI (Source: Santiment)

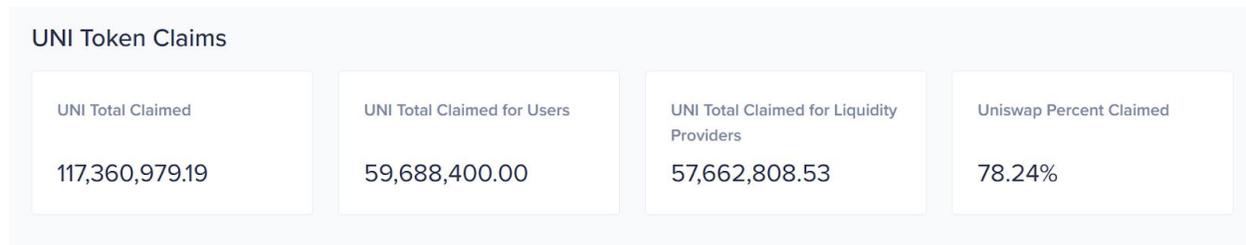
Overall, while the amount of interaction with the UNI token has tapered off significantly since launch, it is by no means underwhelming 9 days in. And while UNI's daily addresses have plateaued over the past 48 hours, it remains too early to say whether the current levels of network activity are to be considered 'standard' for the coin, or if further decline looms.

To that end, keep an eye on the coin's DAA and on-chain transaction volume in days to come - if we indeed 'settle' on these levels of on-chain activity, there may be plenty of fundamental support for another price push upward.

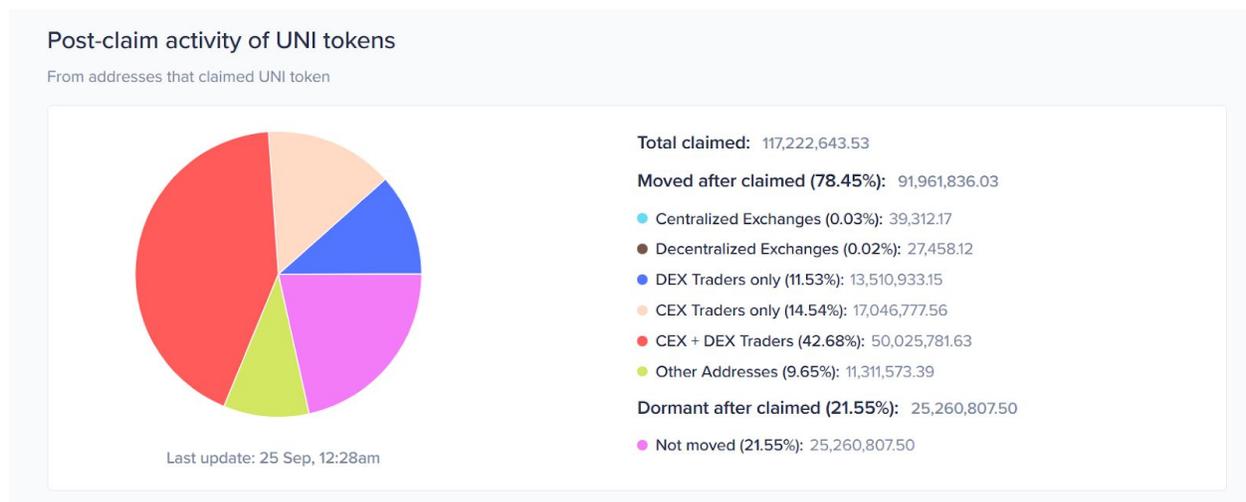
A brief history of UNI claims

Our new [Uniswap dashboard](#) available on Sanbase gives a detailed breakdown of all UNI that has been claimed to date as well as the coins' **post-claim activity**, a metric that will likely prove crucial in determining UNI's short to mid-term potential.

At the time of writing, a total of 117,360,979 UNI has already been claimed, amounting to 78.24% of the total distribution pool. Of the 117 million, 59.6m UNI has been claimed by historical users of the Uniswap platform, while another 57.6m UNI was appropriated by its historical liquidity providers:



What is also important is what happens to all this UNI **once it is claimed**. For this purpose, we created a **post-claim activity** dashboard, which tracks the distributed UNI across network addresses:



Out of the 117.2m claimed Uniswap tokens, 25.2m UNI has remained completely dormant since, suggesting that around 21% of all claimed UNI has been set aside for HODLing - at least for now.

This means that 91.9m claimed UNI tokens have already moved to at least one more address, with further breakdown revealing the most popular end destinations:

-11.5% of claimed UNI is located in addresses interacting with decentralized exchanges

- 14.5% of claimed UNI is located in addresses interacting with centralized exchanges
- 42.6% of claimed UNI is located in addresses interacting with both DEX and CEX platforms

As mentioned, around 57.5% or 85.5 million of all intended UNI has been claimed in the first 24 hours of the coin launch. The claim slope has begun to flatten out since, with only 6m additional UNI claimed in the past 4 days combined:

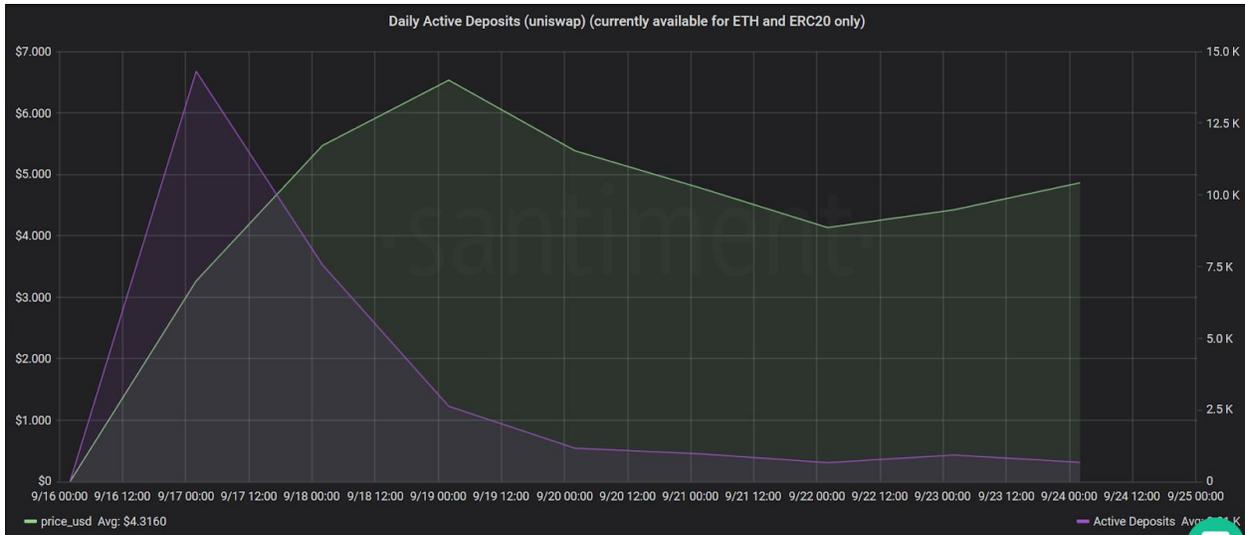


Pictured: Total amount of UNI claimed, all time (Source: Santiment)

This initial surge in the amount of UNI claimed brought with it a massive amount of sell-side pressure, as 'weak hands' moved their new bags to exchanges and promptly offloaded their positions. Which leads us to:

Why UNI crashed (and where it might go next)

UNI's initial 'weak hand exodus' has been clearly visible in a number of the coin's on-chain indicators. For example, the amount of active UNI deposits (addresses used to move UNI to centralized exchanges) mushroomed to a massive 14305 during the first day, signaling strong sell-side pressure and little desire by early UNI claimers to hold on to their bags:



Pictured: UNI daily deposits (purple) vs UNI price (green) (Source: Santiment)

To demonstrate the sheer scale of UNI-related sell offs indicated above, the amount of active LINK-related deposits on the same day peaked at 375. Not 375 **thousands** - just 375. It is little surprise, then, that UNI experienced a swift correction approximately 20 hours after it began trading, prompted by a wave of early liquidations and profit-taking escapades.

The rising sell pressure is equally apparent on UNI's exchange inflow chart, which recorded a string of spikes as the coin approached its all-time high. In the first 48 hours alone, more than 44,400,000 UNI (~\$310,000,000 at the time) had been moved to known exchange wallets, coinciding squarely with the coin's looming price correction:



Pictured: UNI's exchange inflow, all-time (Source: Santiment)

While Uniswap's new token has clearly (and expectedly) experienced an avalanche of sell-offs in the first few days, the amount of sell-side pressure has evidently subsided, with the only other comparable spike in UNI's exchange inflow recorded early on September 21st - right as UNI broke below \$5 for the first time signalling another wave of capitulation and 'weak hand' sell-offs to start this week.

In the past 48 hours, just over 12,000,000 UNI has been moved to centralized exchanges which - while substantial - marks a 72.9% decline from the coin's initial exchange-related activity.

Similarly, the amount of active deposit addresses has diminished from 14310 in the first 24 hours to just 690 today, indicating that the original holder exodus has likely come to an end, and pointing to an ongoing normalization of UNI's exchange activity. For comparison, one of the most actively traded ERC-20 coins, Chainlink (LINK) has recorded 627 active deposits today.

All this being said, hundreds of thousands of UNI are still being claimed daily and expeditiously moved to exchanges, as evident by the declining balance of some of the biggest UNI claimers in the past 24 hours. While most sell pressure was concentrated in the first few days, it has far from vanished at this point in time, so further caution is advised.

Top Claimers 24h

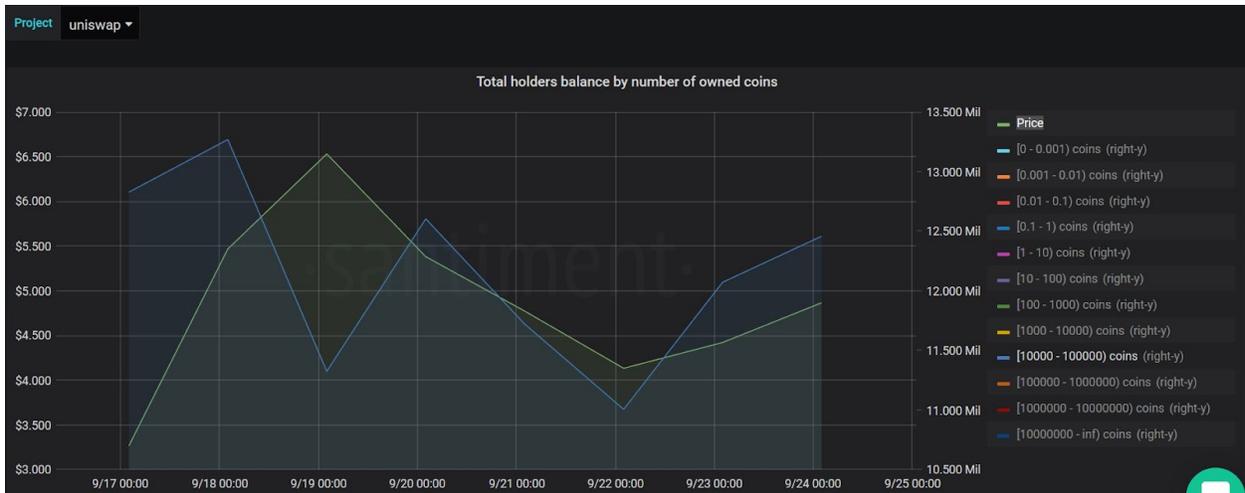
Address	Value \uparrow	Uniswap current balance
0xe693cd414421237e3a6c613a0c75d41dd1921b61 cex trader dex_trader	256,953.18	0.00
0xbd8756f58ed396567ca204132dfed15470173b3 cex trader makerdao-cdp-owner dex_trader	78,655.52	82,255.37
0x542a0eaf1358480ec0703f07bc3120a6503ebbc1 cex trader dex_trader	36,461.03	0.00
0xeddc40555769e0a4d6e00f55b9d37cd6ed8c3ce cex trader dex_trader	13,017.45	0.00
0xff90d66d41fc97b223e8005dba51635b5d49632b cex trader dex_trader	6,511.20	0.00
0xf04fe5c670d6b31abca534c8c29abb6e4d11c6d cex trader dex_trader	6,235.84	6,235.84
0x36f0776d1f85d882524ff9a864a6d6160c5ab043 cex trader dex_trader	5,968.65	5,968.65
0x799108768fb10ea603a9e9e3238b2daa1fce06f1 cex trader dex_trader	4,254.85	0.00
0x6032ae1d78d965b6a0317dc21fced8093f23cb7d cex trader dex_trader	2,926.57	2,926.57
0x74903985da7a021cf537630ec4866f041771bce dex_trader	2,525.45	2,525.45

Another telling precursor to UNI's price correction was the on-chain activity of its large holders, which pivoted to distribution in the hours before the coin's all-time high.

The combined balance of all addresses holding between 1k-10k UNI (\$4260-\$42600) has shrunk by 1,650,000 UNI as the coin first broke above \$5. Similarly, the combined balance of all addresses holding between 10k-100k UNI (\$42600-\$426000) has also diminished by an additional 1,900,000 UNI at virtually the same time:



Pictured: Combined balance of all addresses holding 1k-10k UNI (yellow) vs UNI price (green)



Pictured: Combined balance of all addresses holding 10k-100k UNI (blue) vs UNI price (green)

In total, the amount of addresses holding more than 1000 UNI has declined by 681 briefly before the coin reached its all-time price high, suggesting a network-wide shift from accumulation to profit-taking:



Pictured: number of addresses holding more than 1000 UNI (red) vs UNI price (green)

Over the past few days, however, the combined balances of large UNI holders have either remained stagnant or actually grown, signaling that we may be at the tail-end of the initial UNI distribution, as whales 'settle' into their UNI bags and stop offloading for the time being.

To that end, keep an eye on UNI's holder distribution in the coming days - a more pronounced pivot towards accumulation by its existing whales and large investors could provide further support for a sustained rally and new price discovery.

Finally, while the sample size is still small, UNI's social data is already proving very effective in spotting the coin's looming price tops and short-term corrections.

In particular, the amount of UNI-related mentions on 1000+ crypto social channels peaked right as the coin reached its all-time high of \$8.29 late on September 18th. These extreme social volumes - especially during a price rally - often point to 'peak social hype', as market observers become irrationally confident in the coin's short-term potential, and the FOMO starts to permeate all price-related discussions.

Because of this, it's no surprise to see both this one and other spikes in UNI's social volume coincide with several of its price tops already. As the crowd enthusiasm begins to wane and the interest shifts to other notable projects, UNI's price struggled to maintain a sustained rally without the attention of 'fresh blood' needed to pump the coin higher.



Pictured: amount of UNI-related mentions on crypto social media, all time (Source: Santiment)

On UNI and gas

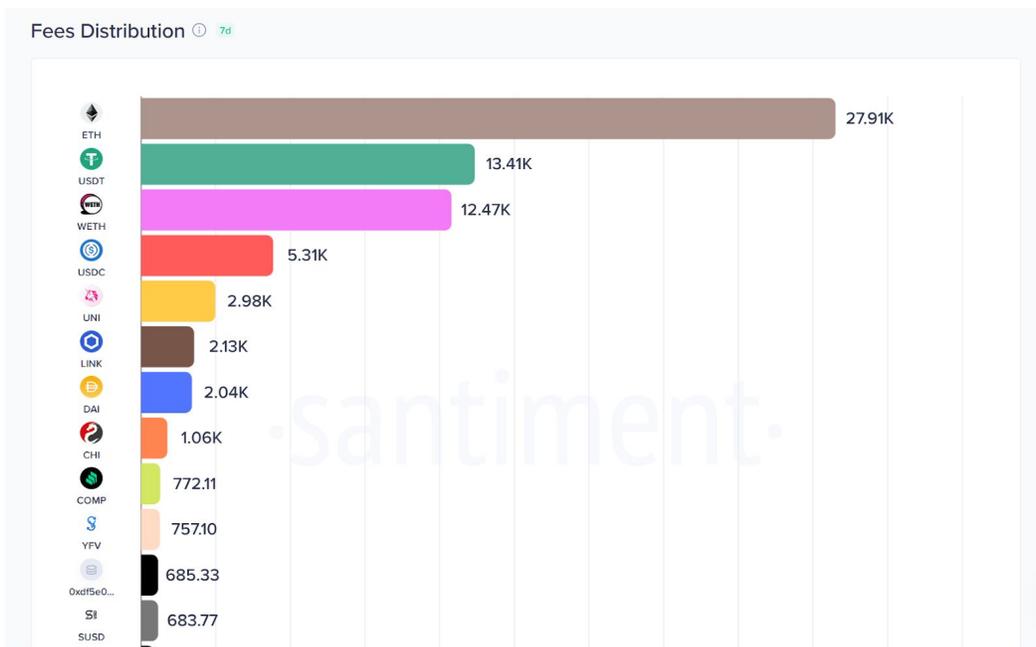
With more than $\frac{3}{4}$ of the intended UNI claimed and much of it already dumped on exchanges, the coin's role in rising Ethereum fees has been significantly reduced.

The first 24 hours of UNI's launch decidedly clogged the entire Ethereum network, causing the highest-ever amount of tx fees - 42760 ETH - to be paid in a single day:



Pictured: Amount of transaction fees paid (in ETH), past year

The average daily fees have largely settled down since, shrinking from \$11.6 on September 17th to a more palatable \$2.34 within the past 24 hours. Still, UNI remains the 4th largest coin by the amount of ETH spent on transaction fees in the past 7 days:



For more information on Uniswap's new token, check out our newly-launched [UNI dashboards](#), providing real-time data on UNI token distribution, total amount of UNI claimed, amount of UNI on centralized and decentralized exchange, top UNI transactions and more.