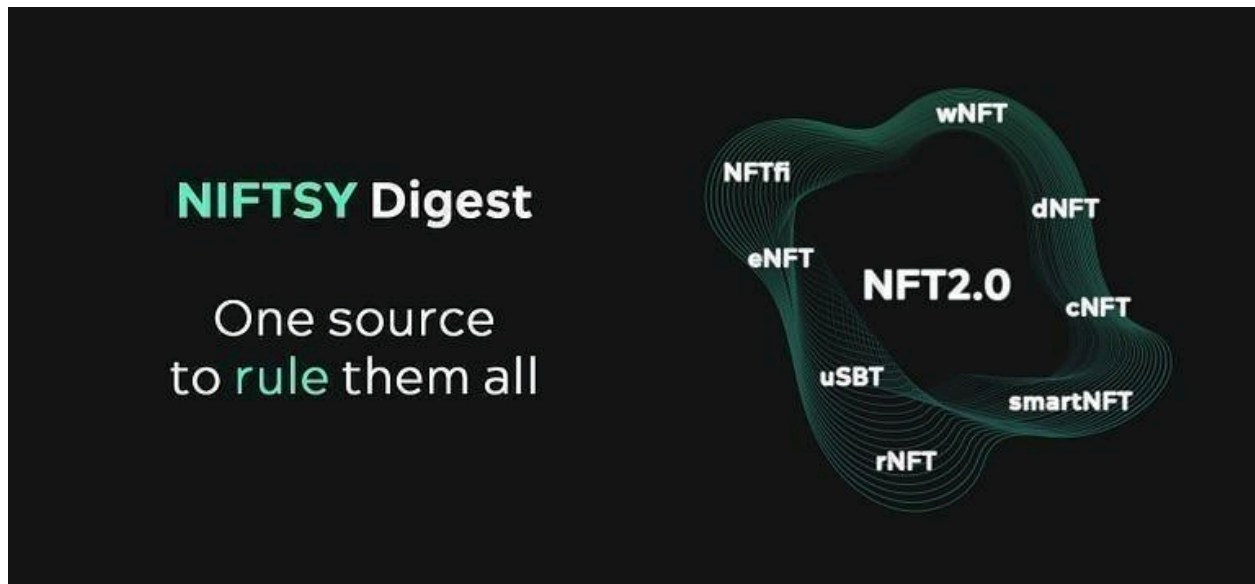


## NIFTSY NFT Digest vol. 36 (June)



### ***f*layer: A Novel NFT Liquidity Protocol**

Built with UniswapV4, *f*layer is made to provide fungible NFT liquidity across all rarities.

Creating **sustainable liquid markets for NFTs remains an unsolved problem**. While a handful of NFT collections have solved floor liquidity thanks to secondary market bids, aggregators and NFTX liquidity, the scale of this liquidity is limited, and non-floors are ubiquitously illiquid.

*f*layer improve on this through a few notable features:

- **Liquid Listings:** When a Liquid Listing is created, the seller, regardless of listing price, immediately receives a freshly minted ERC20 token, which can be instantly sold at floor value. The remaining value above the floor is realized when the listing is subsequently filled.
- **Liquid Auctions:** When a Liquid Auction is created the seller immediately receives a freshly minted ERC20 token, which can be instantly sold at floor value. The remaining value above the floor is then sold via dutch auction.
- **Trade-Ups:** Liquid Listings and Liquid Auctions are priced in floor  $f$  token multiples. For instance, a user pricing their rare Milady at  $2 f$ MILADY tokens would allow for someone with 2 floor NFTs to trade-up to the listed rare.
- **Lockbox:** When depositing an item into the user's Lockbox, the user immediately receives a freshly minted ERC20 token. This is similar to Liquid Listings however deposited items are not available for purchase but instead have a variable interest rate based on pool utilization.

- *Re-Listing*: Arbitrageurs can permissionless curate listings by re-listing assets without having to take on the risk of buying the asset from the pool. This feature enables efficient repricing of all assets in the pool and provides a revenue source for appraisers.
- *Reservations*: Users can reserve items in the pool by putting up collateral and paying an interest rate. Reserved items can then be redeemed at a later date—useful for users with short-term liquidity issues or anticipating upcoming events such as airdrops.

*f*layer leverages UV4 to provide unique features for LPs and users:

- *Liquidity Providers*: LPs farm yield by providing floor liquidity to Uniswap V4. There is no concept of “staking” LP tokens, instead any additional protocol revenue (e.g. Liquid Listing, Liquid Auction and Lockbox fees) are sent directly to the UV4 pool through the `donate()` method, inheriting the same claim logic as applied to swap fees. This provides a differentiated source of yield that goes beyond the impermanent loss that comes with swap fees.
- *UV4 Hooks*: new trading strategies such as TWAMM and onchain limit orders are unlocked in UV4 as well as open source hook development that will likely create new tools for the NFT market through *f*layer’s liquidity.
- *UV4’s Singleton Contract*: creates reductions in gas fees for swappers, allowing users to hop between floors of different collections without the additional gas costs of UV3 or the transfer of individual ERC721 tokens.
- *f*layer LST: While outside of the scope of this white paper, a combination of Geode’s LST infrastructure and Uniswap V4 will allow *f*layer to generate additional yield from circulating ETH in the system.

***f*layer also removes the cost of entry/exit.** A user who wants to enter and exit the fungible state of their NFT will pay no fee. Instead, fees are collected via the fee systems described in this paper, allowing LPs to reduce swap fees to create tighter spreads while remaining competitive.

Users and creators will also be able to permissionless bribe LPs through UV4’s `donate()` feature. Bribes can act as a route to bootstrap liquidity for a collection to enable *F*layer’s unique set of features as well as UV4 strategies and associated NFT-Fi products that integrate *f*layer pool tokens.

## LIQUID LISTINGS

*f*layer allows any non-floor item within a collection to be deposited into a collection’s pool as a Liquid Listing, and in return for the listing the user receives a floor token (i.e. *f*MILADY). All listings are quoted in multiples of the floor, and the price is set by the user creating the listing.

*For example, Alice has a non-floor Milady that she values at 1.3x the floor price. She deposits the item into the pool and sets its redemption price at 1.3 fMILADY and in return receives 1 fMILADY token. She can then sell the token on Uniswap V4 to access immediate liquidity while she waits for the remainder to sell.*

Alice is able to instantly access 75% of the value of her item without the need to wait for a buyer.

**Harberger Fees.** Liquid Listings would not work without an incentive to ensure that the seller is setting a fair price. Without such an incentive, users could list their items at extortionate prices with no intention to be filled whilst still accessing a freshly minted  $f$  token. This would result in the  $f$  token depegging from the market as it could no longer be used to claim a fairly priced item.

To resolve this issue,  $f$ layer introduces Harberger Fees, where an interest rate is paid on the price set by the holder.

With a correctly set interest rate it is possible to create a strong incentive for users to set the price at a fair market rate, ensuring that the  $f$  token itself remains pegged and that the system remains healthy. Users are still able to set their price far above the fair market rate, however the interest rate will be high and the item will not sell, incurring losses that would eventually force the listing to close.

Harberger Fees pave the way for “Liquid Listings” as described in Alice’s example earlier. Liquid Listings grant the ability to list a mid-tier or rare, accessing instant floor liquidity while the user waits for the remaining value to be sold.

When a user lists an NFT, they pre-pay the interest to cover their listing up until the chosen expiry date. All fees are paid in  $f$  tokens that are deducted from the liquidity released at the point of listing.

**Dutch Auction.** Users pre-pay interest for a specified number of days until their listing expires and are free to update the price or duration at the current fixed interest rate at any time. Listings can be closed at any time by the holder, returning any remaining pre-paid balance.

If a user’s pre-pay balance runs out (and the listing is not filled or closed), the item is immediately locked into a dutch auction where the price falls from its current floor multiple down to the floor (1x) over a period of 4 days. By knowing the pre-pay expiry time upfront at listing, there is no requirement for keepers to trigger a dutch auction.

The value of the item falls linearly every second until it reaches 1  $f$  token, at which point it can be redeemed in the same way as any other floor NFT inside the pool.

This auction process allows users to “set and forget” their listings, accepting that they will pay a predetermined listing fee and will either sell at the initial price set or—in the event that they have mispriced the asset—during the auction process.

**Liquid Auction.** When creating a Liquid Listing the user is able to send the item immediately to auction. This will allow for very fast liquidation of non-floor items with the auction creator receiving immediate liquidity of 1  $f$  token.

This use case is particularly helpful for individual NFT-Fi applications that need to liquidate their users' non-floor items as quickly as possible without the need to prepay for Harberger Fees or appraise assets.

The fee for a Liquid Auction is calculated as a 4 day listing and as with all items that enter auction, there is no refund on the fee.

## **RE-LISTING / RESERVING**

*f*layer allows users to not only list their own NFTs, but to re-list or reserve NFTs that are already in the pool and not in auction. This will allow those with specialized knowledge to profit by reserving or repricing mispriced assets in the pool.

*For example, Carol is unfamiliar with Milady traits and mints a Milady into the pool thinking that it is a floor. Bob, who has expert knowledge in the field, spots this Milady, who is wearing an “Im Cute Im Punk” shirt, and considers it mispriced at floor. Bob immediately creates a listing at 1.25x the floor for this Milady that he does not own, pre-paying the interest and taking any profit on a sale. He is able to arbitrage directly from the pool without taking on the risk of purchasing the Milady at the floor to then re-list on a secondary market.*

This scenario could also take place for non-floor assets, where a listing at 1.1x is filled and increased to 1.3x without any more capital required beyond the 0.1 purchase and the accrued interest.

In the case of a reservation, Duncan may be saving for a Remilio NFT but his forever Remilio has just appeared in the pool. He can reserve this item while he waits to accumulate a full *f*REMIO token to redeem it. In another case, he may be anticipating a Remilio airdrop and wants exposure to the claim.

## **LOCKBOX**

Accessing floor liquidity via Liquid Listings or by depositing floors in the pool results in the user losing their right to the NFT that they deposited (in return for an *f* token).

The Lockbox provides an alternative to users who want to retain their NFT by protecting their deposit from public purchase—as long as the user keeps up their interest payments.

In the case of Lockbox deposits, the interest applied does not follow a Harberger Fee model and instead uses a utilization curve. This is critical to ensure that there are enough floor items available to token holders at any given time.

*f*layer uses a Compound-style utilization rate where over a certain threshold (80%) the interest paid on Lockbox deposits increases rapidly.

Users deposit their NFT and can borrow up to 0.95  $f$  tokens. Variable interest is then applied to their debt, which if greater than 0.95, can be liquidated by going to auction. At auction the value above 1 is returned to the holder while the keeper receives a flat 0.05  $f$  tokens.

## TRADE-UPS

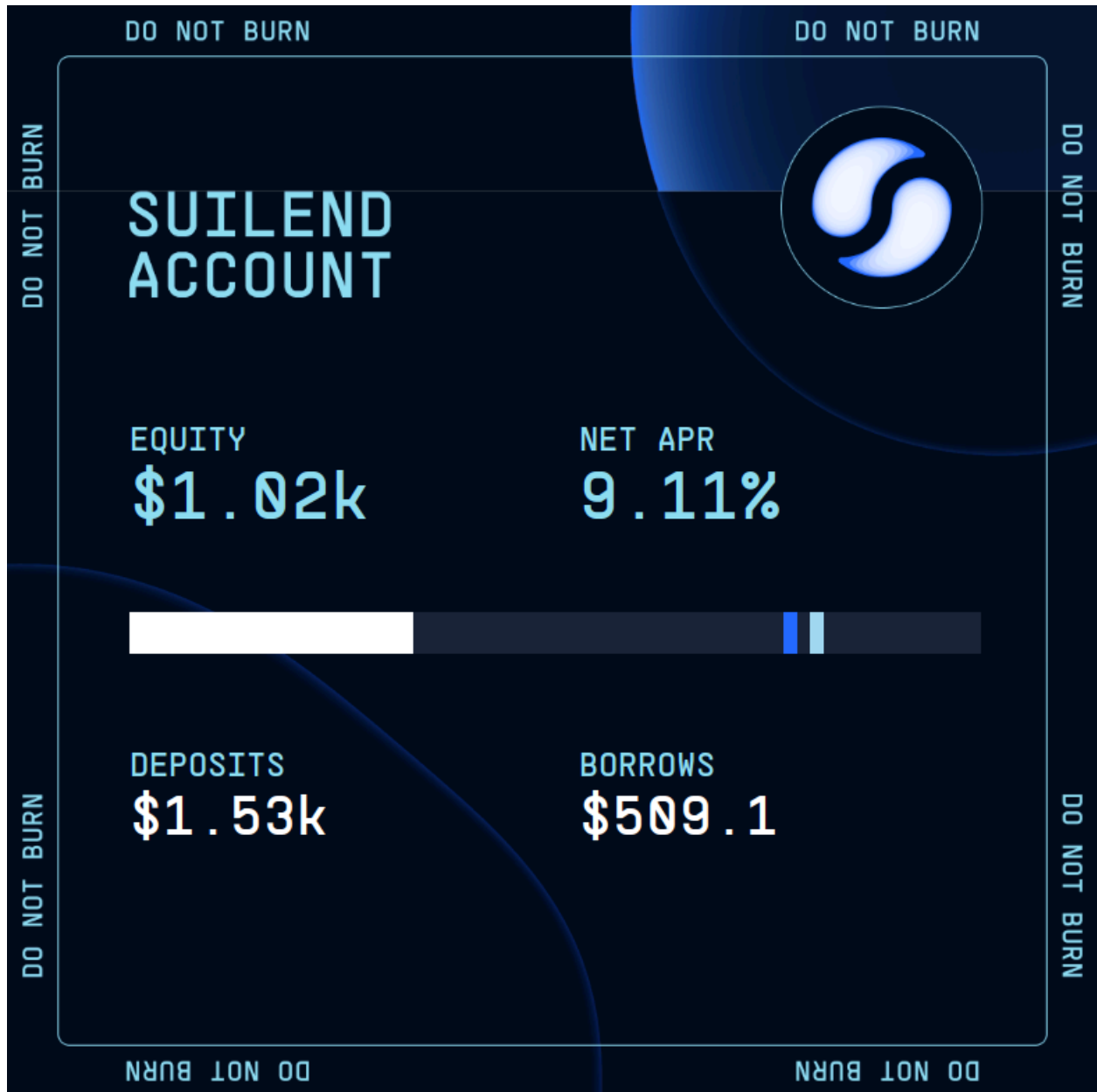
$f$ layer is opening up floors to mid/rare swaps.

*Consider Evelyn, who lists her Pikachu Remilio at 3x the floor. Other users are able to fill this listing by providing floor items—either the full amount (3 floors) or partially (2 floors + ETH). Once sold, Evelyn could then TWAMM her 2  $f$  tokens for ETH (she already received 1  $f$  token at the time of listing) in the hope of getting the best execution price or she could sell immediately. Evelyn could instead use her 3 tokens to redeem floor NFTs for free to sell on secondary markets or for use as collateral in NFT-Fi.*

With enough liquidity across collections, cross-collection trade-ups and downs can be made possible not just on  $f$ layer but also across secondary market listings priced in  $f$  tokens.

## NFT News & Updates

1. [SUI's lending protocol Suilend Introduced Account NFTs!](#) Account NFTs represent your Suilend deposits and borrows using a dynamic NFT on Sui. A dynamic NFT on Sui is a type of NFT that can change and evolve over time, enhancing its functionality and versatility. This NFT will appear in your wallet when you first deposit funds in Suilend and constantly refreshes to show your up-to-date balances. This makes it convenient to transfer your Suilend account to a new wallet (eg. a cold wallet) without having to unwind your positions. Account NFTs are an innovative example of object-oriented programming using Move.



Dynamic NFT lending position

2. Building upon SPL-404, MPL-hybrid has been added to the Metaplex Program Library under the MPL-404 framework, [and open-sourced](#).
3. [Magic Eden is launching a mempool protection for Ordinals traders](#).
4. [Warpcast introduced in-app payments](#). Pay someone with USDC in under 10 seconds.
  - Mobile-first with your existing wallet
  - No having to look up or remember an address.
  - Close to instant confirmations and zero fees on Base

## NFT Development

[ERC 7721: Lockable ERC1155 with Token Based Approval](#). The standard introduces a robust locking mechanism for specific Non-Fungible Tokens (NFTs) within the ERC1155 token standard, allowing for various uses while preventing sale or transfer. The token's `owner` can `lock` it, setting up locker address (either an EOA or a contract) that exclusively holds the power to unlock the token. Owner can also provide approval for `tokenId`, enabling ability to lock asset while address holds the token approval. Token can also be locked by `approved`, assigning locker to itself. Upon token transfer, these rights get purged.

[ERC-7729: Token with Metadata](#). This standard extends the ERC-20 standard to include a `metadata` function interface and a JSON schema for metadata. Memecoins have demonstrated the value of associating tokens with visual metadata. By standardizing a way to include metadata in ERC-20 tokens, developers can create more engaging and interactive tokens, fostering community engagement.

## NFT Regulation

[The U.S. Department of the Treasury published a 2024 Non-fungible Token \(NFT\) Illicit Finance Risk Assessment](#)

The assessment finds that NFTs are highly susceptible to use in fraud and scams and are subject to theft. The report determines that illicit actors can use NFTs to launder proceeds from predicate crimes, often in combination with other methods to obfuscate the illicit source of proceeds of crime. It also found little evidence of the misuse of NFTs by terrorists or proliferators, in contrast to fraudsters, to date.

## NFT Analytics

[Base's Gaias NFT](#)

Onchain Gaias isn't just a PFP project—it's already got the makings of a cult following, and it's working at the cross of AI, GameFi, and Farcaster.

Spearheaded by [Ciniz](#) and artist [Anton Marrast](#), Onchain Gaias launched via Warpcast in March 2024 as a free mint of [5,556 passes](#) dubbed "Degen's Golden Tickets."

These passes will be redeemed 1:1 for Onchain Gaias PFPs when the art is finalized.

One month after launching, the Gaias floor price peaked at 1.25 ETH right after the team published [its initial whitepaper](#), confirming gaming plans and an ambitious decentralized AI training system centered around games. With +4k ETH worth of trades it remains one of the top traded projects on the L2.

While Onchain Gaias is still early on in its development, the project published two whitepapers that illuminate its plans going forward.

The first whitepaper introduced the foundational concepts of Onchain Gaias and outlined the project's core vision and mechanisms, centered around General Artificial Intelligence Agents (GAIAs) and their role in decentralizing AI development.

The paper proposed a network where AI models could be trained through gaming, leveraging blockchain tech for transparency and security. It also outlined the basics of a modular gaming engine system and a marketplace for AI models.

The [second whitepaper](#) introduced more detailed plans and innovations like the Onchain General Intelligence Network plus the Armory Marketplace (Intelligence-as-a-Service) and Foundry Marketplace (Transfer Learning as a Service) platforms.

The second paper also explained incentives and governance plans and clarified that only Onchain Gaias NFT holders would be able to create and earn from cloning AI agents within this new ecosystem.

Currently, the Onchain Gaias team is in the initial "experiment and see what works" phase of its gaming ecosystem. It has rolled out its first initial training title in [Henlo Kart](#).



☆ 🐹 HAMSTER RACES!? 🐹



start

play x10

play x25

henlo.gaias.xyz

[Henlo Kart](#)

Deployed entirely within a Farcaster Frame on Warpcast, Henlo Kart is a racing game designed to train primitive AI agents onchain through user interactions.

Players place wagers, gain experience points (XP), and earn levels, all of which help improve the capabilities of AI agents beneath the surface. Additionally, players are set to receive an allocation of a presently undisclosed token upon its future release.

## **NFT Market view**

***Disclaimer.** To date, analytical tools are still evolving and provide only approximate data that do not cover all chains, DAG systems and other types of distributed ledgers, as well as NFTs or less common types, such as utility or financial.*

### **Statistics of the entire NFT market.**

#### **Global Markets (30D)**

- [NFT Marketcap](#) is **\$43,782,600,171 Down**
- [NFT Sales Volume](#) **\$755,744,474 Down**
- Total Sales **2,483,187 Down**

### Market Cap ⓘ

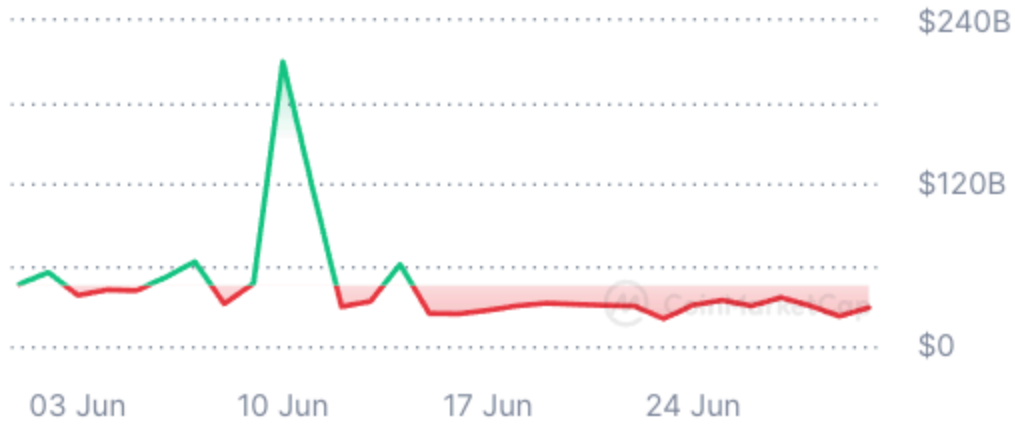
24h

7d

**30d**

All

**\$43,782,600,171.3** ▼ 2.32% (30d)



### Marketcap

#### Sales Volume (30d) ⓘ

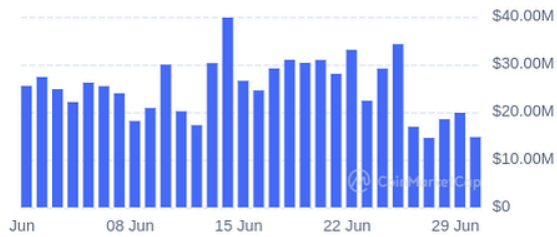
24h

7d

**30d**

All

**\$755,744,474.91** ▲ 263.66% (30d)



### in

#### Total Sales (30d) ⓘ

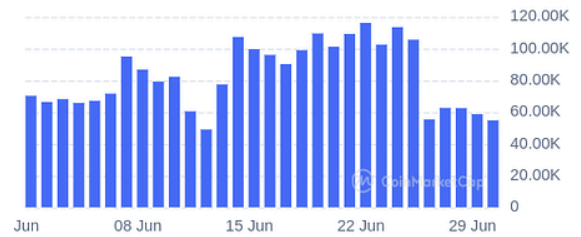
24h

7d

**30d**

All

**2,483,187** ▼ 36.27% (30d)

























NFT  
June

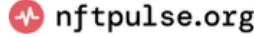
In June, the total number of users decreased. On Solana, it's almost 3 times, Polygon moved up to 1st place. Trading on Bitcoin still brings the most revenue.

30D  nftpulse.org

### Chain Traders






















# 469.6K

 POLYGON  41%  25%  18%	120.7K (26%)
 SOLANA  52%  44%  3%	110.2K (23%)
 BASE  79%  9%  8%	90.3K (19%)
 ETHEREUM  57%  29%  10%	75.1K (16%)
 BITCOIN  79%  17%  1%	54.9K (12%)
 ZORA  100%	10.9K (2%)

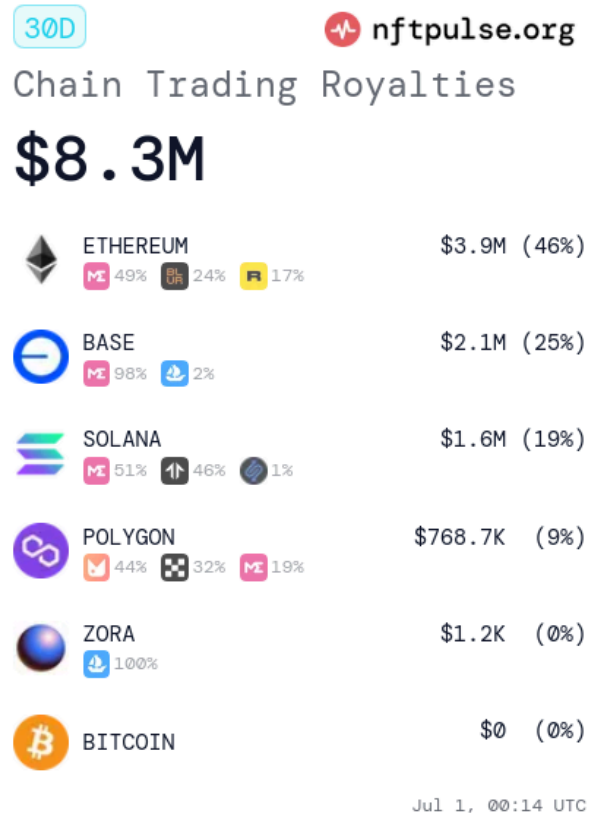
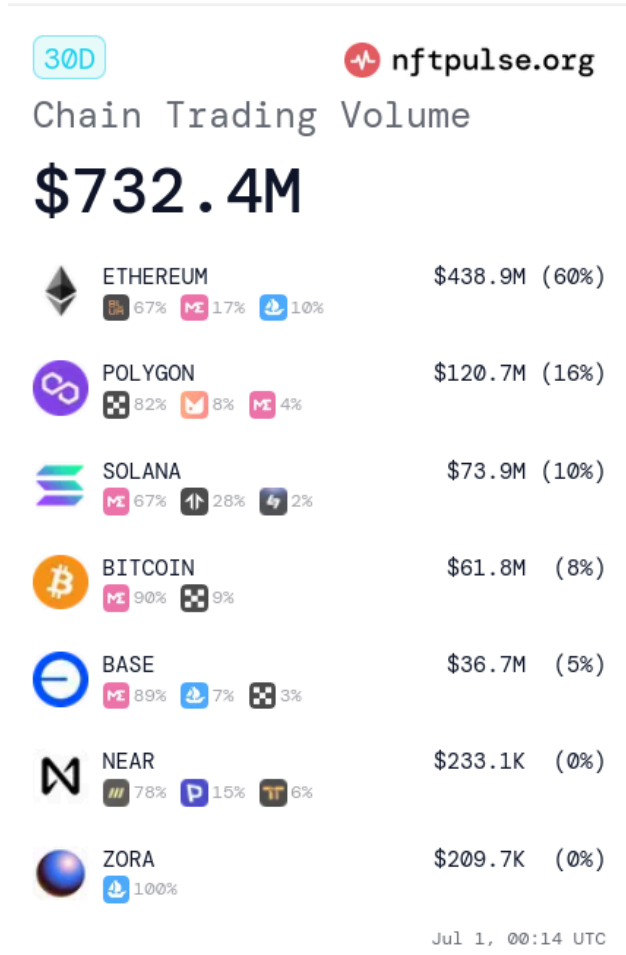
30D  nftpulse.org

### Chain Trading Revenue

# \$4.1M

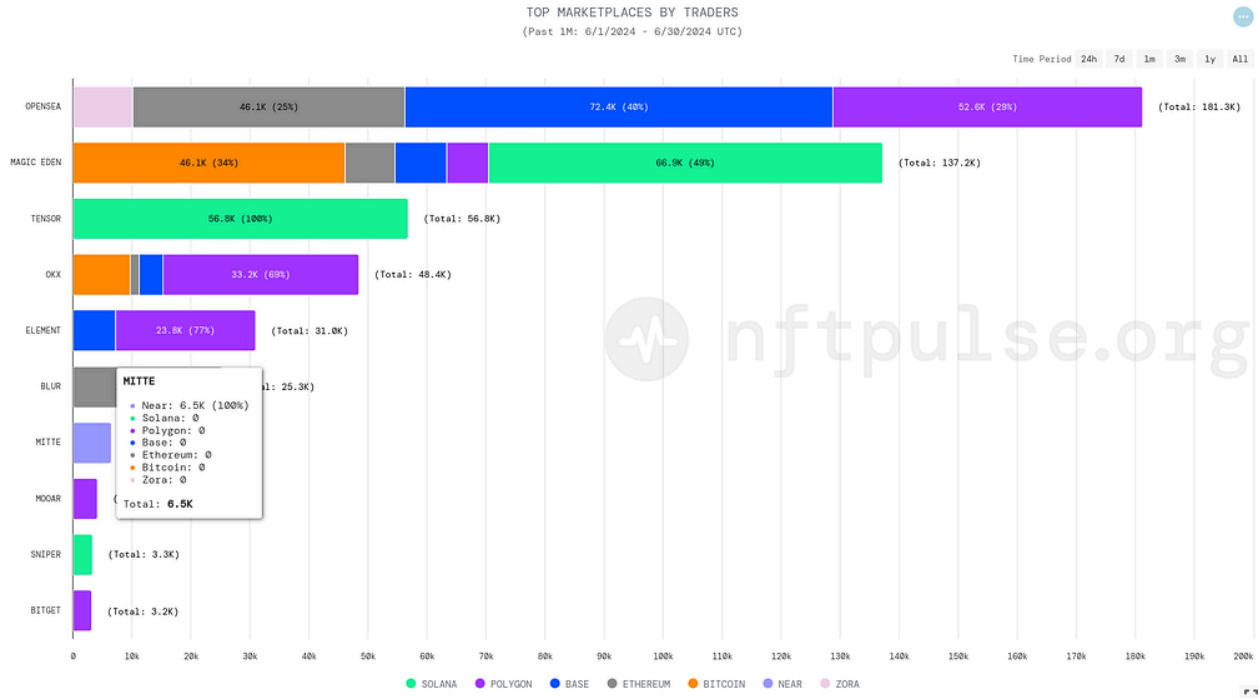
 BITCOIN  99%  1%	\$1.4M (34%)
 SOLANA  78%  21%  1%	\$1.2M (30%)
 ETHEREUM  83%  16%  1%	\$1.1M (26%)
 POLYGON  58%  24%  14%	\$309.5K (8%)
 BASE  80%  18%  1%	\$84.5K (2%)
 ZORA  100%	\$5.2K (0%)

Royalties on Solana have almost halved, but on Base increase 15x.

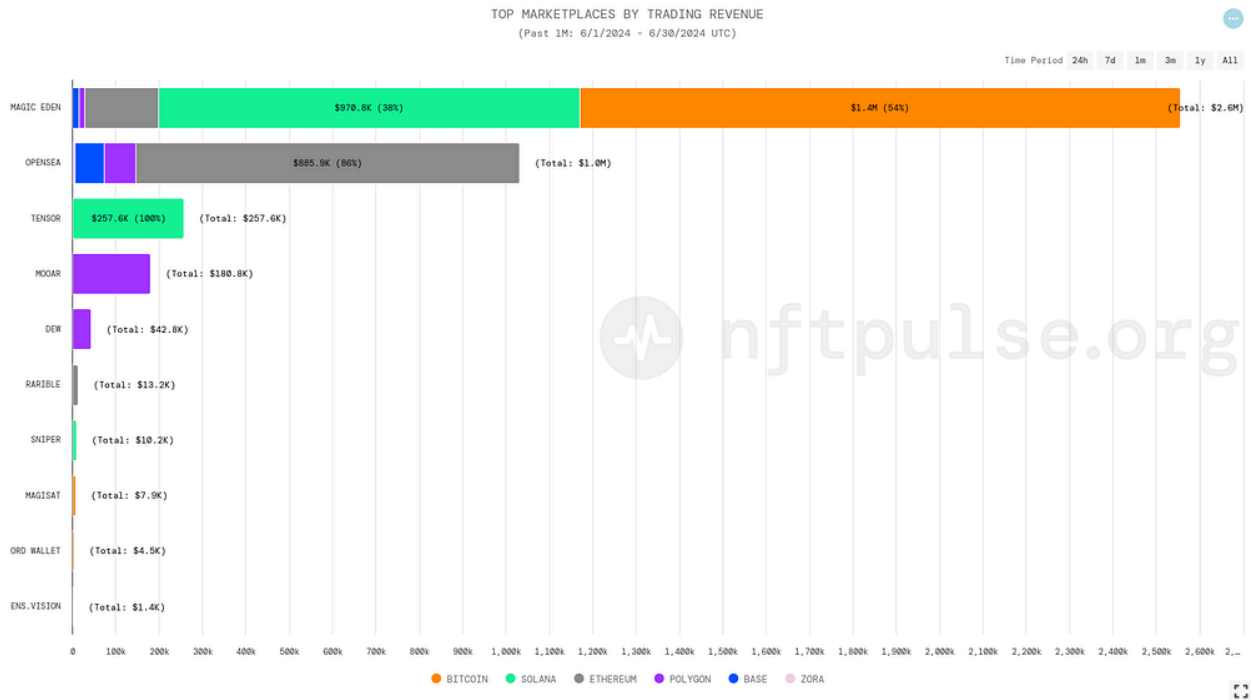


Jul 1, 00:14 UTC

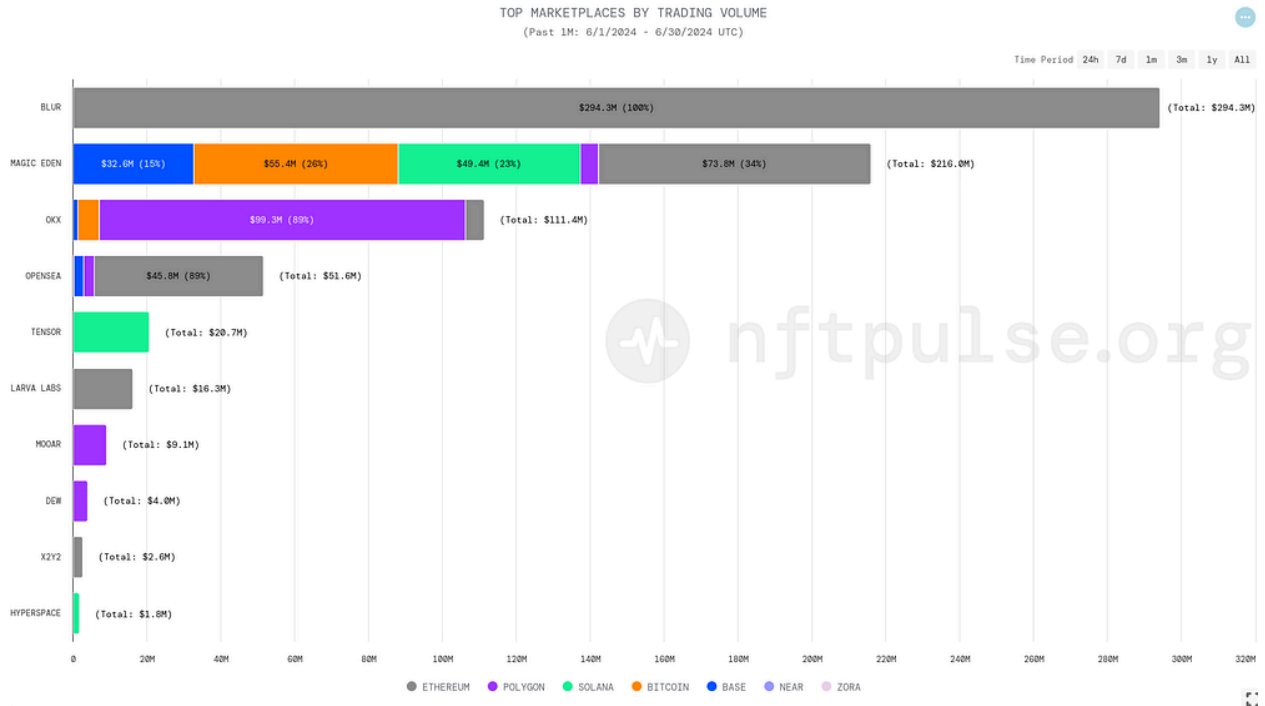
The number of traders on Magic Eden has fallen by almost 3 times, making Opensea move to the top of the list.



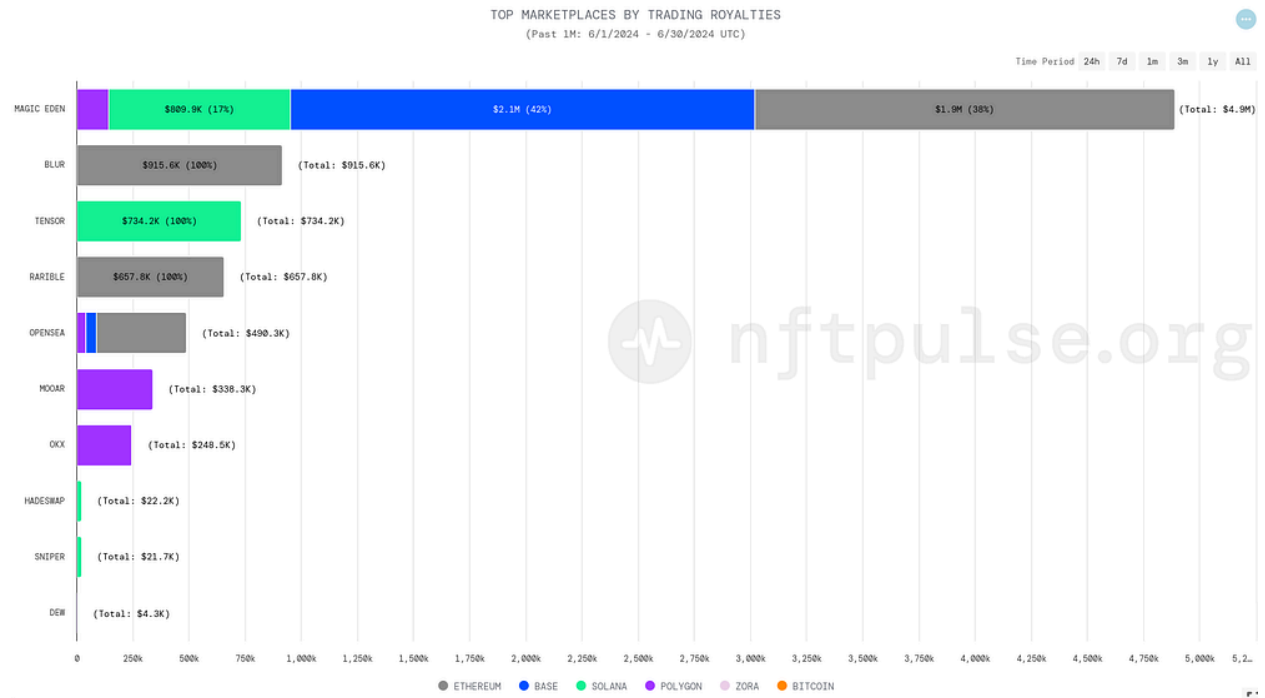
Most of the revenue comes from bitcoin trading on Magic Eden.



## Blur is the undisputed leader in trading volume


















## In terms of royalties, Magic Eden is also unchallenged in the lead.



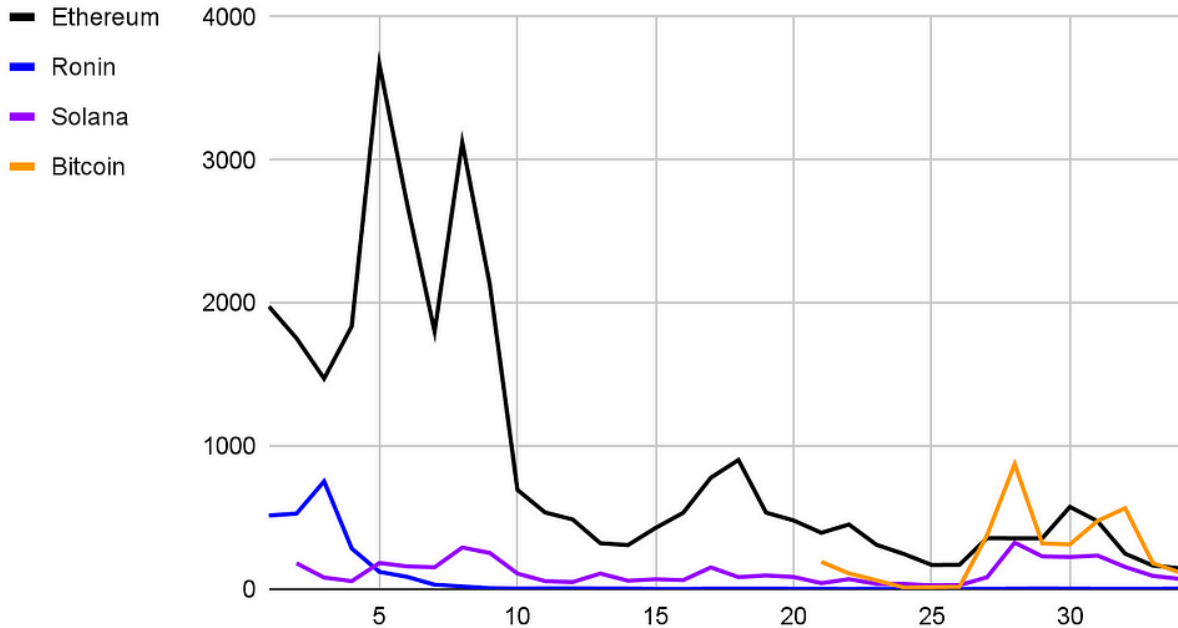
The largest range of collections remains at Opensea.

[Blockchains by NFT Sales Volume, June 2024](#). Ronin is up 100% while the rest of the market is down.

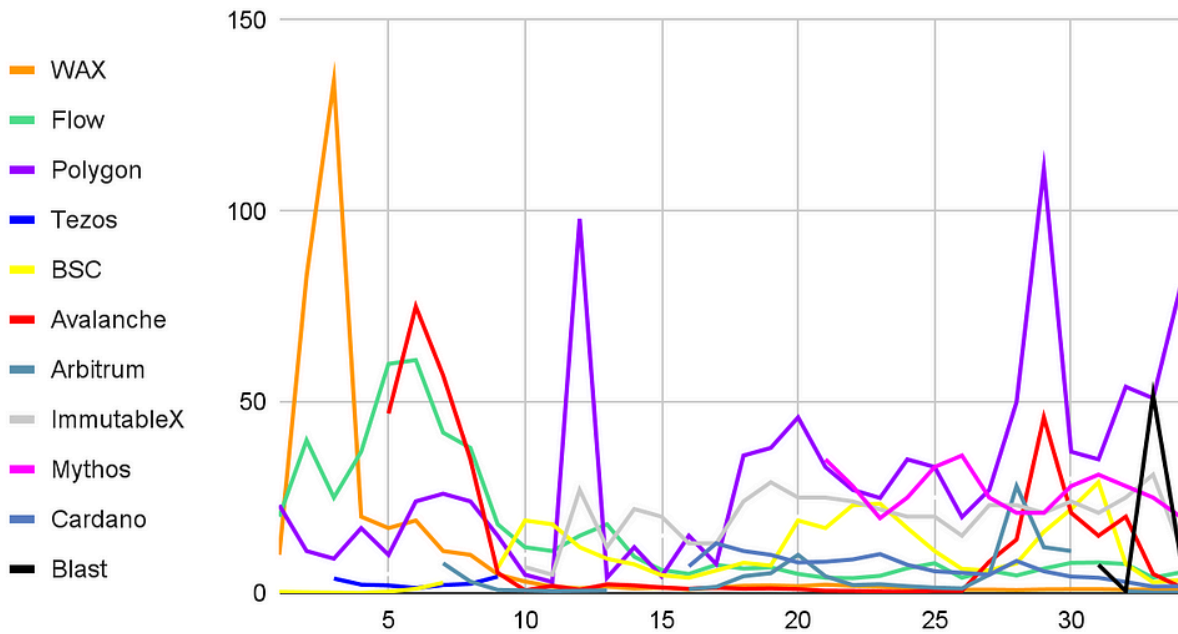


#	Blockchain	Sales (USD)	Wash (USD) *	Total (USD)	Buyers
1	 Ethereum	\$146,643,083 ↘ 50.12%	\$122,784,864 ↘ 28.70%	\$269,427,947 ↘ 42.21%	27,602 ↘ 10.32%
2	 Bitcoin	\$115,890,944 ↘ 48.12%	\$309,748 ↘ 48.19%	\$116,200,693 ↘ 48.12%	0 ↘ 100.00%
3	 Polygon	\$80,875,772 ↗ 3.93%	\$35,040,093 ↗ 1.87%	\$115,915,864 ↗ 3.30%	0 ↘ 100.00%
4	 Solana	\$71,440,441 ↘ 40.95%	\$2,573,701 ↘ 78.05%	\$74,014,142 ↘ 44.22%	0 ↘ 100.00%
5	 Mythos Ch...	\$20,046,377 ↘ 19.93%	\$132,699 ↘ 46.00%	\$20,179,076 ↘ 20.18%	0 ↘ 100.00%
6	 Immutable	\$12,050,765 ↘ 12.18%	\$21,845,070 ↗ 23.86%	\$33,895,835 ↗ 8.08%	11,626 ↘ 17.41%
7	 Blast	\$9,723,863 ↘ 81.08%	\$65,599 ↘ 95.09%	\$9,789,462 ↘ 81.43%	0 ↘ 100.00%
8	 Flow	\$5,475,709 ↗ 21.96%	—	\$5,475,709 ↗ 21.96%	0 ↘ 100.00%
9	 Ronin	\$3,641,044 ↗ 100.81%	—	\$3,641,044 ↗ 100.81%	143,150 ↗ 669.09%
10	 BNB Chain	\$3,416,220 ↘ 92.60%	\$433 ↘ 99.97%	\$3,416,654 ↘ 92.82%	0 ↘ 100.00%
11	 Cardano	\$1,809,406 ↘ 28.15%	\$29,440 ↗ 530.76%	\$1,838,846 ↘ 27.12%	0 ↘ 100.00%
12	 Avalanche	\$1,670,458 ↘ 82.72%	\$80,571 ↘ 77.35%	\$1,751,029 ↘ 82.53%	0 ↘ 100.00%
13	 Stargaze	\$1,473,977 ↘ 28.66%	\$480 ↗ 87.18%	\$1,474,457 ↘ 28.64%	0 ↘ 100.00%
14	 Panini	\$801,403 ↘ 58.62%	—	\$801,403 ↘ 58.62%	570 ↘ 10.66%
15	 WAX	\$755,109 ↗ 5.13%	—	\$755,109 ↗ 5.13%	7,776 ↘ 5.36%

Blockchains by NFT Sales Volume (30 days), mln \$/month from 09/21



Blockchains by NFT Sales Volume (30 days), mln \$/month from 09/21



[All L2 NFT transaction count](#) in this month. The situation is bleak, especially in the financial NFT area.

Categories

Subcategories

CeFi DeFi

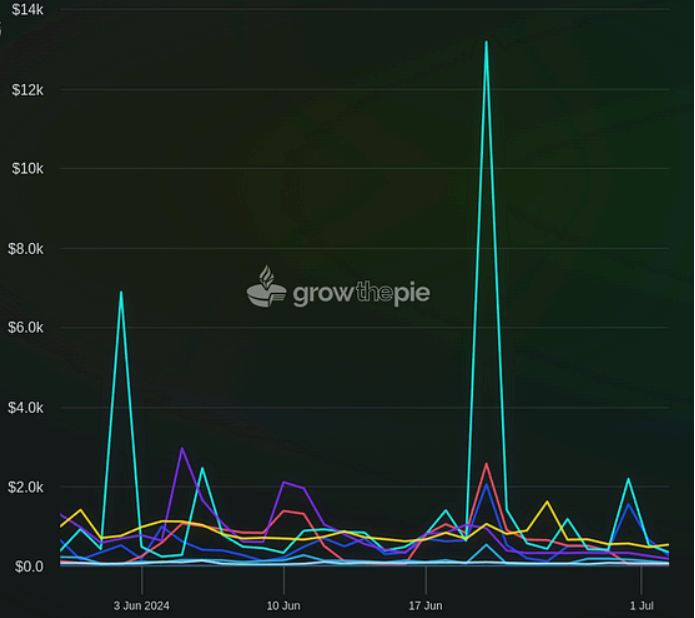
NFT

Social Utility ken Transfross-Chai nlabelc

Select All Subcategories  NFT Finance  Non-Fungible Tokens

NFT Marketplace

	Arbitrum One	\$ 41,754	<input checked="" type="checkbox"/>
	Scroll	\$ 24,480	<input checked="" type="checkbox"/>
	ZKsync Era	\$ 24,352	<input checked="" type="checkbox"/>
	OP Mainnet	\$ 18,276	<input checked="" type="checkbox"/>
	Base	\$ 16,108	<input checked="" type="checkbox"/>
	Zora	\$ 4,202	<input checked="" type="checkbox"/>
	Linea	\$ 2,357	<input checked="" type="checkbox"/>
	Polygon zk	\$ 78	<input checked="" type="checkbox"/>
	Mantle	\$ 76	<input checked="" type="checkbox"/>



**Categories**

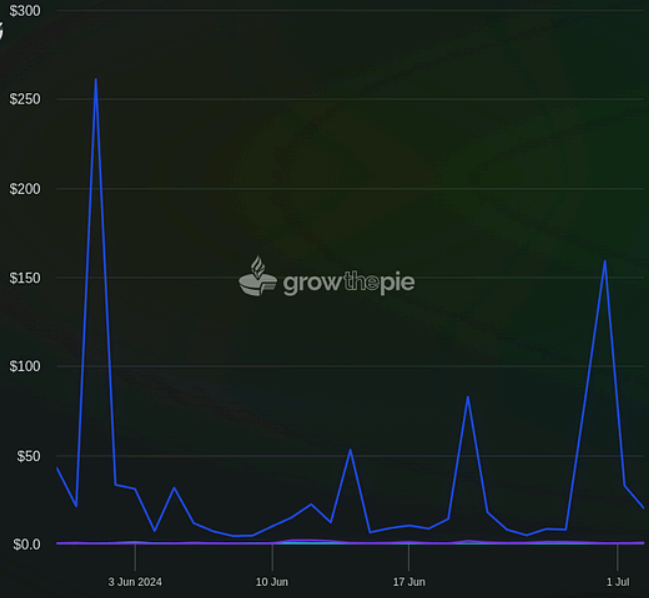
Subcategories

CeFi    DeFi    **NFT**    Social    Utility    Sen Transf    cross-Chai    Unlabeled

Select All Subcategories    **NFT Finance**    Non-Fungible Tokens







NFT Marketplace

- Base \$ 1,000
- ZKsync Era \$ 24
- Zora \$ 8

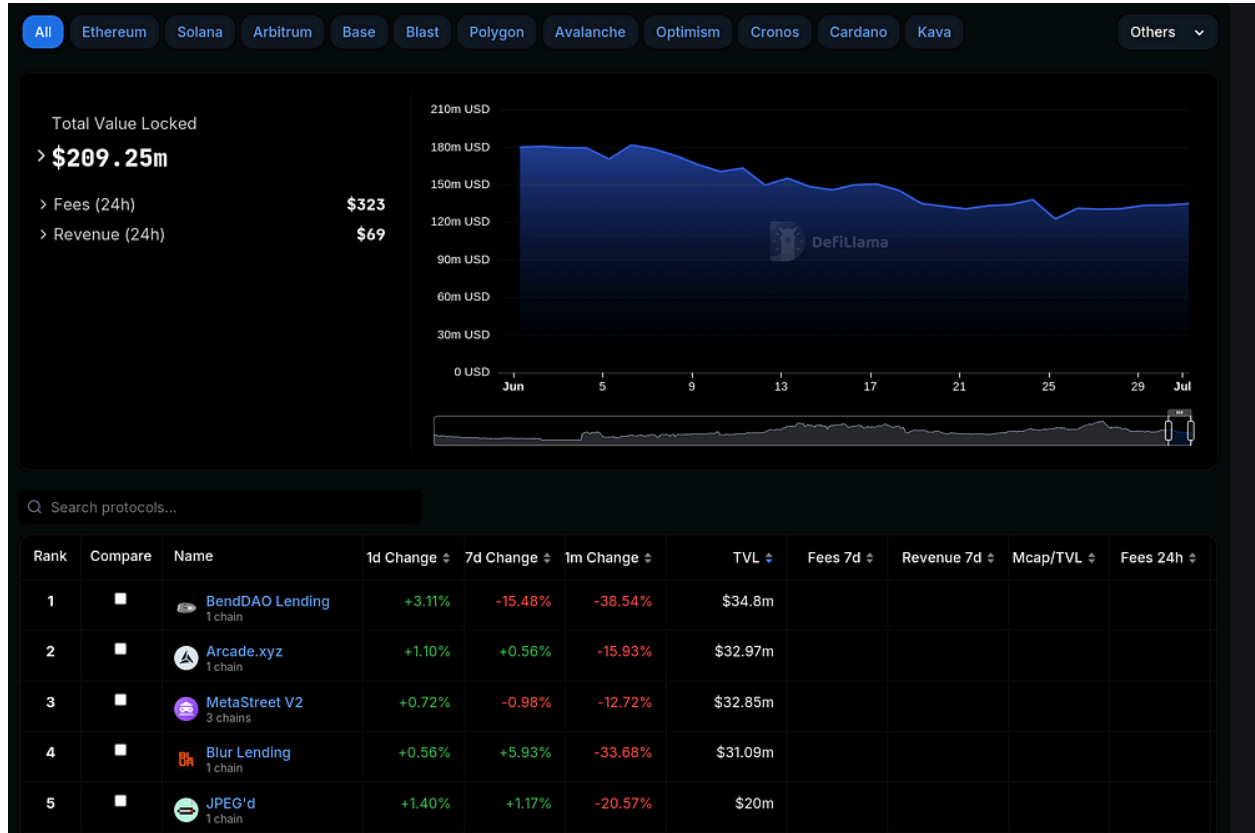


Nft: NFT Finance

NFT Collection Rankings by Sales Volume in June. Pudgy Penguins rise against the market and return to the top 10.

#	Collection	Sales	Transactions	Buyers	Sellers
1	 <b>\$PIZZA BRC-20 NFTs</b> Bitcoin	\$29,178,638 — 0.00%	43,624 — 0.00%	7,248 — 0.00%	40,663 — 0.00%
2	 <b>DMarket</b> Mythos	\$18,919,936 ↘ 21.23%	825,548 ↘ 17.79%	44,144 ↘ 12.09%	35,165 ↘ 16.46%
3	 <b>CryptoPunks</b> Ethereum	\$16,139,423 ↗ 3.49%	139 ↗ 29.91%	67 ↗ 19.64%	73 ↗ 4.29%
4	 <b>Bitcoin Puppets</b> Bitcoin	\$12,594,805 ↘ 40.64%	1,391 ↘ 21.15%	844 ↘ 20.68%	702 ↘ 30.08%
5	 <b>Bored Ape Yacht Cl...</b> Ethereum	\$12,561,092 ↘ 1.42%	339 ↗ 22.83%	186 ↗ 34.78%	198 ↗ 31.13%
6	 <b>NodeMonkes</b> Bitcoin	\$12,504,479 ↘ 41.22%	918 ↘ 21.13%	555 ↘ 19.80%	482 ↘ 24.69%
7	 <b>DogeZuki Collection</b> Solana	\$10,020,649 ↘ 1.81%	230,274 ↘ 6.78%	221,601 ↘ 11.63%	10,004 ↗ 0.01%
8	 <b>Pudgy Penguins</b> Ethereum	\$9,771,629 ↗ 68.89%	295 ↗ 85.53%	194 ↗ 102.08%	199 ↗ 101.01%
9	 <b>Gods Unchained C...</b> Immutable	\$9,547,958 ↘ 5.51%	223,241 ↘ 35.33%	7,314 ↘ 20.79%	6,603 ↘ 20.45%
10	 <b>Mad Lads</b> Solana	\$8,824,063 ↘ 12.04%	774 ↘ 10.00%	382 ↘ 21.24%	421 ↘ 6.44%
11	 <b>Ordinal Maxi Biz (O...</b> Bitcoin	\$8,768,273 ↘ 39.24%	575 ↘ 11.13%	272 ↘ 17.33%	298 ↘ 19.89%
12	 <b>Fantasy Top</b> Blast	\$8,583,837 ↘ 82.40%	74,623 ↘ 76.65%	6,215 ↘ 64.30%	9,579 ↘ 65.93%
13	 <b>The Captainz</b> Ethereum	\$8,212,502 ↗ 3.98%	718 ↘ 6.87%	199 ↘ 6.57%	220 ↘ 11.29%
14	 <b>Moon Girl</b> Polygon	\$6,614,524 — 0.00%	6,151 — 0.00%	463 — 0.00%	108 — 0.00%
15	 <b>Milady Maker</b> Ethereum	\$6,352,128 ↗ 37.95%	339 ↗ 27.44%	230 ↗ 38.55%	204 ↗ 33.33%

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