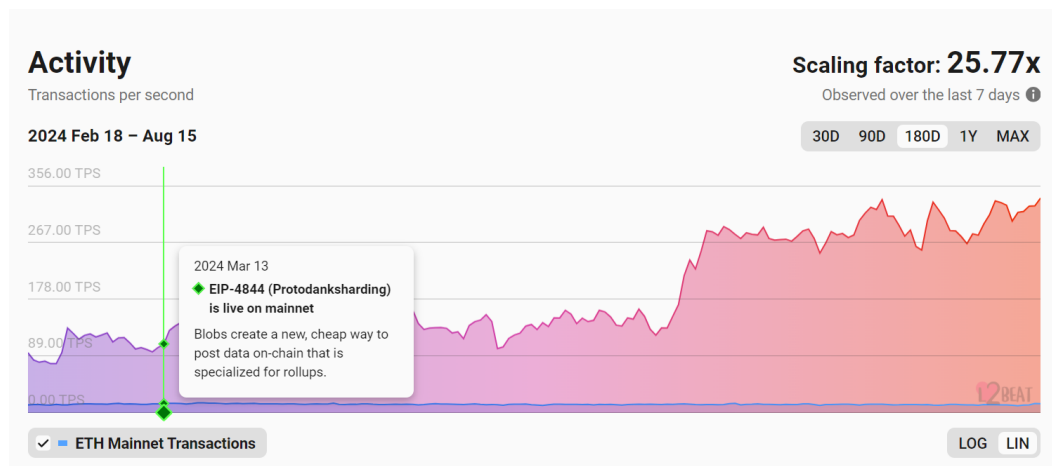


# Ethereum, L2 & L3 sets the highest record of 21.2M transactions in a day

## Introduction

Ethereum & L2 transactions beat Bitcoin's all time high of 682k (*recorded in May 2023*) possessing more stable coins than Solana, Binance combined. From the start of 2024 there's been a surge in Ethereum and L2 Networks' on-chain activity. A spike in average daily active addresses across Ethereum and leading L2 are up by 127% and increase in smart contract transactions (59%) despite the crypto winter in April.

[L2Beat](#) reports that Ethereum, including L2 & L3 blockchains registered 246.18 Transactions per second (TPS) equating to 21.2M transactions/day. As for Ethereum L2 (12.4M transactions/day), this is the first time it has recorded such high TPS since its launch in July 2015.



*L2Beat Transaction Data*

## Key Factors behind the record breaking TPS

### 1. [Dencun](#) Upgrade (Cancun + Deneb)

One of the biggest upgrades post **The Merge** ever to be deployed on the mainnet. It introduces temporary data blobs that provides a cost-effective L2 rollup storage.

Dencun upgrade represents crucial step towards Ethereum's objective, of accommodating numerous rollups and secondary scaling layers, enabling millions of TPS.

**Dencun** offered the following features:

- Transitioning from a **Proof of Work (PoW)** to **Proof of Stake (PoS)** where validators are used to validate blocks
- Reduction in L2 Gas fee** (↓58%) making it more affordable, led to increasing users as well as decentralized apps (dApps)
- Proto-Danksharding** (EIP-4844) increased the capacity, accommodating to 100,000 TPS
- Enhanced security** making smart contracts and transactions robust against exploits
- Optimization** of L2 Networks (Arbitrum, Optimism & Coinbase)

f. **Freeing up space** for more transactions by discarding long-term data

## 2. Rise in Staking

Post PoS adoption, **staking** became popular. Despite an upper limit of 32ETH on validators' attestations, (*which is out of reach for new investors*) pooled solutions have emerged opening to new opportunities.

## Future Potential of Ethereum

Ethereum ecosystem today roughly hosts 2M daily active users. The **increased demand on L2s** has a direct impact on **Ethereum** by offering higher transactions at lower rates, Ethereum has the potential to strengthen its infrastructure and its native asset ETH. This upward trend offers a **positive outlook for ETH holders** as well as ecosystem participants and value of ETH crypto could continue to grow.

Arbitrum's transaction count 3 months prior to Dencun was 204M ([Saved Query Link](#)).



```
{
  EVM(network: arbitrum, dataset: combined) {
    Transactions(
      where: {Block: {Date: {since: "2023-12-13", till: "2024-06-13"}}}
    ) {
      count
    }
  }
}
```

```
{
  "EVM": {
    "Transactions": [
      {
        "count": "204365096"
      }
    ]
  }
}
```

Run query

Post Dencun, (3-month transaction count) has increased to ~203% (619M) ([Saved Query Link](#))



```
{
  EVM(network: arbitrum, dataset: combined) {
    Transactions(
      where: {Block: {Date: {since: "2023-03-13", till: "2024-06-13"}}}
    ) {
      count
    }
  }
}
```

```
{
  "EVM": {
    "Transactions": [
      {
        "count": "619597311"
      }
    ]
  }
}
```

Run query

With Buterin's vision to solve the cross-chain interoperability between Ethereum L2 networks on the horizon, Ethereum has promising paths to vastly smoothen the experience within Ethereum ecosystem.

**BlackRock** strengthened its presence with launch of new **ETH spot ETFs** indicating the long-term potential which resulted in accumulation of 77,000 ETH (\$277 million) in a matter of few days (*in iShares Ethereum Trust ETF*).

**COINCORE** (a market cap-weighted crypto index) rebalanced quarterly with a combined allocation of 94% (Bitcoin-65.3% & Ether-28.7%) among 8 total constituents.

Investment analysts from **VanEck** [reported](#) that ETH is said to hit \$1 trillion market capitalization by 2030. Other predictions by Prediction Issuer are listed in the table below.

Prediction Issuer	Price Prediction
<u>Crypto News</u>	\$4443.63 by 2025
<u>DigitalCoinPrice</u>	\$7528.81 by 2025
<u>Changelly</u>	\$5094 by 2025
<u>Cathie Wood</u> ( <i>Ark Invest</i> )	\$166k by 2032
<u>Standard Chartered</u>	\$8k by end of 2024