DAILY ACTIVE ADDRESS

Daily active addresses continued to reverse course. While on a downtrend QoQ, daily active addresses are still up compared to last year. The metric averaged ~1 million per day over the first three quarters of 2022, but over the first three quarters of 2021, it was 584,000 per day. The Q3 2022 average is a ~70% growth over the same period just a year prior.

highest record of active accounts was on 25/3/2022 which was

active accounts 411

new accounts 146

18/12/2022

active accounts -139

new accounts -105

DAILY USER METRICS

Daily user metrics were at their lowest in 12 months, down 87% from their peak in Q1 2022. Similarly, daily transactions were down 200% from their peak in Q1 2022. Despite the culmination of events, the circulating market cap dropped (175%) for the first time this year during Q3.

The events that unfolded in Q2 caused daily transactions to fall by 200% to 1 million in Q3, their lowest in over a year. Declining transactions and suppressed price (-69%) of edgeware reduced and had average transaction fees by 47% QoQ, also their lowest since Q4 2021.

Although cheaper transaction fees are a net positive for current users and applications, they result from reduced network usage. This declining network usage is not unique to edgeware as many Layer-1 protocols also experienced a drop in activity and suffered from the same fate with 200 % decline in market cap during the bear market.

the daily active account soared like insulin surge after

3 months of being stagnant

with active account skyrocketing to 210 and new account rising to 148

with the dramatic increase of 163%

which is a feat in itself considering most of the other smart contract platforms in other ecosystems dont weed out and grub up that numbers

but it eventually flat lined revolving around the average mean of 4 to 8 new accounts being added

while the score for the active and exisitng accounts is averaging aroundthe

rookie number of 20 t0 40

Unfortunately, the euphoria was short lived, and each of these metrics experienced month-over-month declines through Q1 2022.

transaction fees
Having fee payers and stability in daily transactions drives revenue and value accrual to the network. Across crypto, network usage is becoming a more significant portion of network value. The question is how statistically significant the relationship between metrics like revenue and network value is and what's contributing to it. Is network value driven predominantly by a greater number of users and transactions or changes in transaction fees? Ideally, more users and transactions, albeit lower transaction fees, drive revenue, and represent the fundamental value accrual. This outcome would be preferred compared to value coming from higher transaction fees or speculative value.

Concurrently, new accounts created decreased to their lowest level since the start of 2022. Overall, new accounts created have decreased six of the last seven quarters. When analyzing new account creation, there are critical points to note. First, all new accounts created on edgeware must pay a small one-time fee, The fee exists to disincentivize people from spamming the network by creating multiple new accounts. Additionally, if someone acquired a edgeware asset for the first time, like an NFT, but did not create an account, they would be excluded from this dataset. These are important factors to consider when evaluating account activity across ecosystems.

Wahat Are The Challenges for Edgeware?**

The Governance Space is Crowded

DASH, one of the largest cryptocurrencies by market capitalisation and volume, has acquired a large first-mover advantage in the area of governance in the cryptocurrency market. And then you have some of the other larger cryptocurrencies that are implementing governance using blockchain technology such as Decred and Tezos. There are even a few Ethereum projects implementing on-chain governance, which include Dfinity, Nebular, and Aragon.

Even then, let’s say Edgeware becomes the leading project for on-chain governance, you could argue that on-chain governance doesn’t work very well anyway or that there’s no right way of doing it as of now. If you look at the most successful cryptocurrencies, like Bitcoin, Ethereum, and Monero, none of them have on-chain governance and they were still able to succeed without this feature.

The decentralized nature of development with people collaborating across the world have built these thriving crypto-networks and perhaps serves as an argument against on-chain governance. While Bitcoin’s Bitcoin Improvement Protocols or Monero’s Forum Funding System are not the perfect solutions, they do the job well enough to p dataset.

These are important factors to consider when evaluating account activity across ecosystems

On-chain governance in some ways takes power away from miners and lessens their voice in the ecosystem, even though they are valid contributors to the ecosystem. As a proof-of-stake coin Edgeware has no miners and this can be viewed as a negative as people cannot mine the coin and participate in the network, instead you have1 to mine or buy ETH.

It is important for Edgeware to attract a wide user base, and with the ETH lockdrop it is a good strategy to incentivise participation. However, if the number of participants is not high enough, then it is likely that the on-chain governance mechanisms will be vulnerable to game-theoretic attacks and manipulations.

Looking across Commonwealth Labs and Edgeware's social media profiles, there doesn't seem to be a significant number of users or followers, with 1,386 individuals following Edgeware's Twitter account, around 700 members on Telegram and Discord, 54 members on its Reddit channel and just five followers on Facebook.

Closing Summary

In Q3, the bear market surfaced the network's fundamental user base and ability to advance its growth strategy. User activity reverted to the longer-term average and stabilized during Q3. Transaction activity was more significant due to the improved network stability. Fundamentals like a foundational user base, network stability, and transaction activity continued to drive network value.

The ecosystem continues to expand. A healthy distribution of TVL across applications still exists. Solana's strategy and position in the NFT sector remain strong. Its second-largest secondary sales volume is narrowing the gap with Ethereum. Strategies to boost GameFi are underway, and Solana is seeing more unique use cases like Helium join the ecosystem.

Staking and decentralization of the network remain strong. edgeware aims to improve decentralization by providing different voting models to group of different stake holders to experiment with sentiments being established around with linkable ring structures for key network upgrades and governance decisions .

While the network's fundamentals improved along with its ability to advance its growth strategy, the quarter presented challenges. The issues were wmisolated and are not recurring in nature.

Ultimately, the Solana ecosystem is continuing its efforts to grow by incorporating growth strategies that include network upgrades, technical integrations, community building, and improved user accessibility.

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Competition

With their RPC and API services, Ankr competes with Infura, Alchemy, and Chainstack. edgeware competes with tezos , eos , stellar , neo Comparatively, Ankr has a few key advantages. One advantage is the unique pay-as-you-go pricing model. Most competitors charge a flat rate per month, with additional fees if you exceed a certain number of requests per month. With Ankr, you can use the service as you need and spend only what you need to.

Moving forward, competition for RPC services and liquid staking derivatives is likely to heat up in the level of decentralization they adhere to. While Ankr plans to onboard individual node operators, this has not yet become a reality and continues to pose a centralization risk to the protocol. However, this risk is not unique to Ankr. The vast majority of RPC service providers and liquid staking derivative providers face similar centralization issues. In this sense, Ankr has made a clear step forward, as it partnered with Pocket to expedite decentralization efforts. This partnership allows Ankr to move traffic through Pocket's distributed network of nodes.

Long Term Interest

In ICOs or other methods to distribute tokens, capital begets capital. However, in a lockdrop, users can be increased through time preference--bonuses for participating longer. In this way, it allowed many small ETH amount holders to show their preference. The overwhelming proportion of lockers chose not to lock for 3 months, but the maximum amount of time, 12 months. This shows us that they have a long term interest in the network. Moreover, individuals signaled their participation in additional ways, with over 130 addresses indicating that they'd like to validate. This amount has been backed up by the more than ~70 validators participating over the course of this last testnet.

e Layer-1 smart contract platform race for adoption and market share is likely far from over as Ethereum continues its architectural redesign and incorporates scaling solutions. New use cases continue to demand alternative solutions, and one of those solutions may very well address the desire for confidential computation technology on a purpose-built, modular execution layer. With its unique architecture and deployment of confidential computing technology, the Oasis Network seeks to meet such a demand. Oasis stands well-positioned to close the gap in the Layer-1 race as the network moves forward with expanding applications on Emerald and launching Cipher and Parcel.

polkadot's ecosystem and development continued to experience obstacles as the crypto market fell by about 4% QoQ. Total value locked (TVL) was down 196 % across its largest protocols, as well as unique contracts called, in the quarter. DeFi and GameFi are currently the predominant applications on Harmony, as NFTs represent less than 2% of the activity. The decline in unique contracts called QoQ signals a decline in the breadth of decentralized applications, consistent with the decrease in network usage and activity.

On-Chain Governance

In the world of distributed ledger technologies, governance refers to the debates about how people coordinate to make decisions on changes to the protocol underlying a cryptocurrency. These changes could be simple upgrades, changing the consensus mechanism, or lifting and reducing the total supply of a cryptocurrency. This process includes many stakeholder groups including miners, core developers, users, exchanges, node operators, and many more.

With on-chain governance, the entire process is carried out on the blockchain and usually involves staking some tokens for a certain time to vote on proposals. Out of all of the utility tokens being released in recent times, a large proportion claim that their governance process will be on-chain and decentralized. However, projects like DASH and Decred are simple token-weighted processes which are captured by large holders. The word gentrification comes to mind with the systems, as the funds required to successfully stake on these networks has risen rapidly over time and benefitted already large holders of DASH and Decred.

Edgeware aims to have a more multi-faceted approach to governance and will initially implement on-chain identities, delegated voting and signalling so that stakeholders can indicate their preference for different proposals and strategies. On top of this, secure voting is planned so that you can anonymously vote an2d avoid the problem of vote buying, as well as decentralized autonomous organizations (DAOs) which will allow users to self-organize into different groups. The Edgeware blockchain’s treasury will receive 50% of the block r
eward and these funds will be used to finance proposals and pay contributors.

Aligning Incentives

Utility networks need to provide economic incentives for network participants. Edgeware, beyond acting as a fully-functional smart contract chain, is also a testing ground for active governance. To gather empirical results evidence for governance mechanisms, we need to create a network with sufficient usage. We need to bootstrap the network to a lyricspoint where economic incentives and disincentives actually impact an individual’s decisions.

only a few projects have true on-chain governance systems, instead opting for coin-voting and relatively plutocratic DPoS systems. Overall, a full set of standards around active governance has yet to emerge.

Moreover, more ink has been spilled on the topic of governance, than code written. Protocols are naturally reluctant to move to on-chain governance without a working example. Edgeware +5is purpose-built for experimentation with formal governance.

By launching with a novel token distribution mechanism, we're able to bootstrap "a test-net with incentives." Network participants are able to vote, delegate, and fund each other to improve the network in a number of areas — scalability, governance, developer experience, and more. Other projects can learn and borrow from Edgeware's functional governance processes.

Multi-chain minimalism is where dApps get converted into their own special purpose chains that interoperate with other chains. Yet when I first took glimpse of Edgeware, it was set up for the maximalist approach, to be a solo chain with dApps built on them, a general smart contract chain. This naturally created some philosophical tension for Edgeware, on the one hand looking to host projects in a maximalist way, but on the other hand destined for a minimalist multi-chain reality.