

Dapp Activity Soars to 3.4 Million, NFTs Close on \$1 Billion

In November 2023, the dapp industry hit new highs and faced novel challenges. This report delves into the pivotal trends, from soaring DeFi TVLs and NFT market growth to significant security concerns, shaping a transformative period in decentralized applications.

Key Takeaways

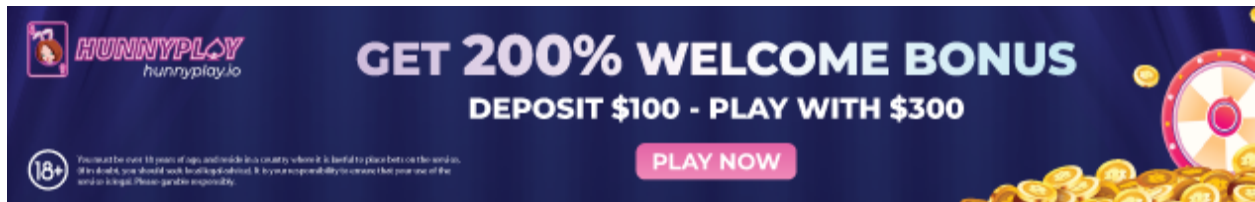
- Daily Unique Active Wallets (UAW) hit 3.4 million, recording a yearly ATH. On-chain gaming UAW rose 14%, holding a 34% industry dominance.
- The total value locked (TVL) in the DeFi sector reached \$86 billion. Solana's TVL surged by 75%, signifying a strong rebound from past challenges.
- NFT trading volume passed \$994 million, an increase of 125% from the previous month, with a total of 3.67 million sales.
- Blur leads the NFT sector with 35% market share in trading volume, followed by OKX with 32%. OpenSea drops to a yearly low at 14%, but retains 191,000 active traders.
- \$311 million in crypto assets were lost due to hackers exploiting smart contracts and duping investors.

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1. Dapp Industry Overview

The [dapp industry](#) this November has showcased a robust and bullish trajectory, achieving an impressive milestone of 3.4 million daily Unique Active Wallets (dUAW). This represents a 7% growth from the previous month and establishes a new peak for the year. The industry's upward trend aligns with the growing excitement and expansion seen in recent times. As we approach the holiday season, there's mounting speculation about the onset of a new bull run.



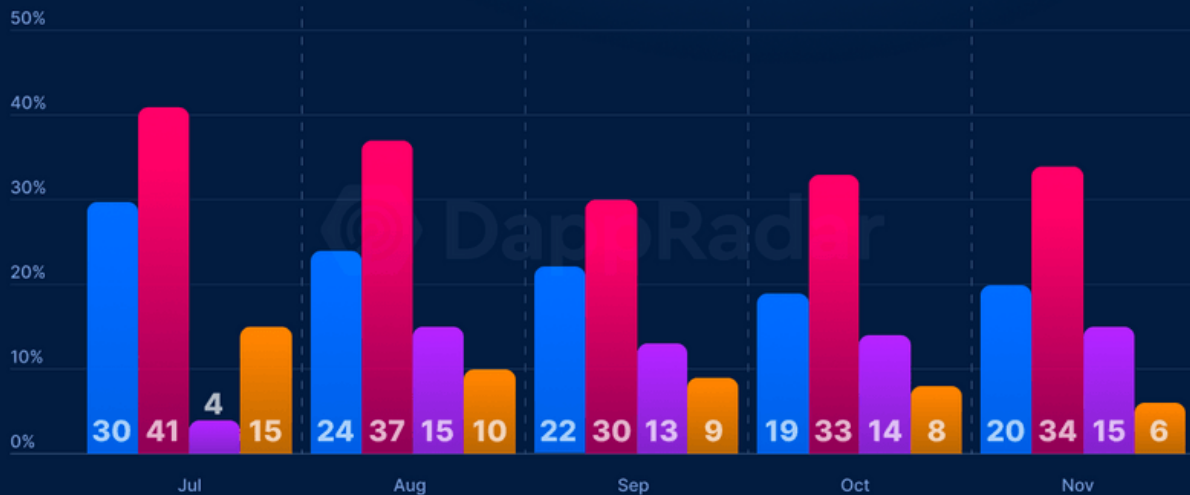
In terms of industry verticals, [gaming](#) continues to lead with a remarkable 1.2 million dUAW, a 14% increase from last month. The [DeFi sector](#) follows, which has reached 684,350 dUAW, marking a 9% growth.

Industry Dominance (%) by UAW in the Dapp Ecosystem



DeFi Games NFT Social

Jul - Nov 2023



The [NFT sector](#) is also experiencing a significant upward trend, registering a 13% increase this month with 502,237 dUAW. Contrarily, the [Social sector](#) has reached 214,925 dUAW, showing a relative decrease compared to other sectors.

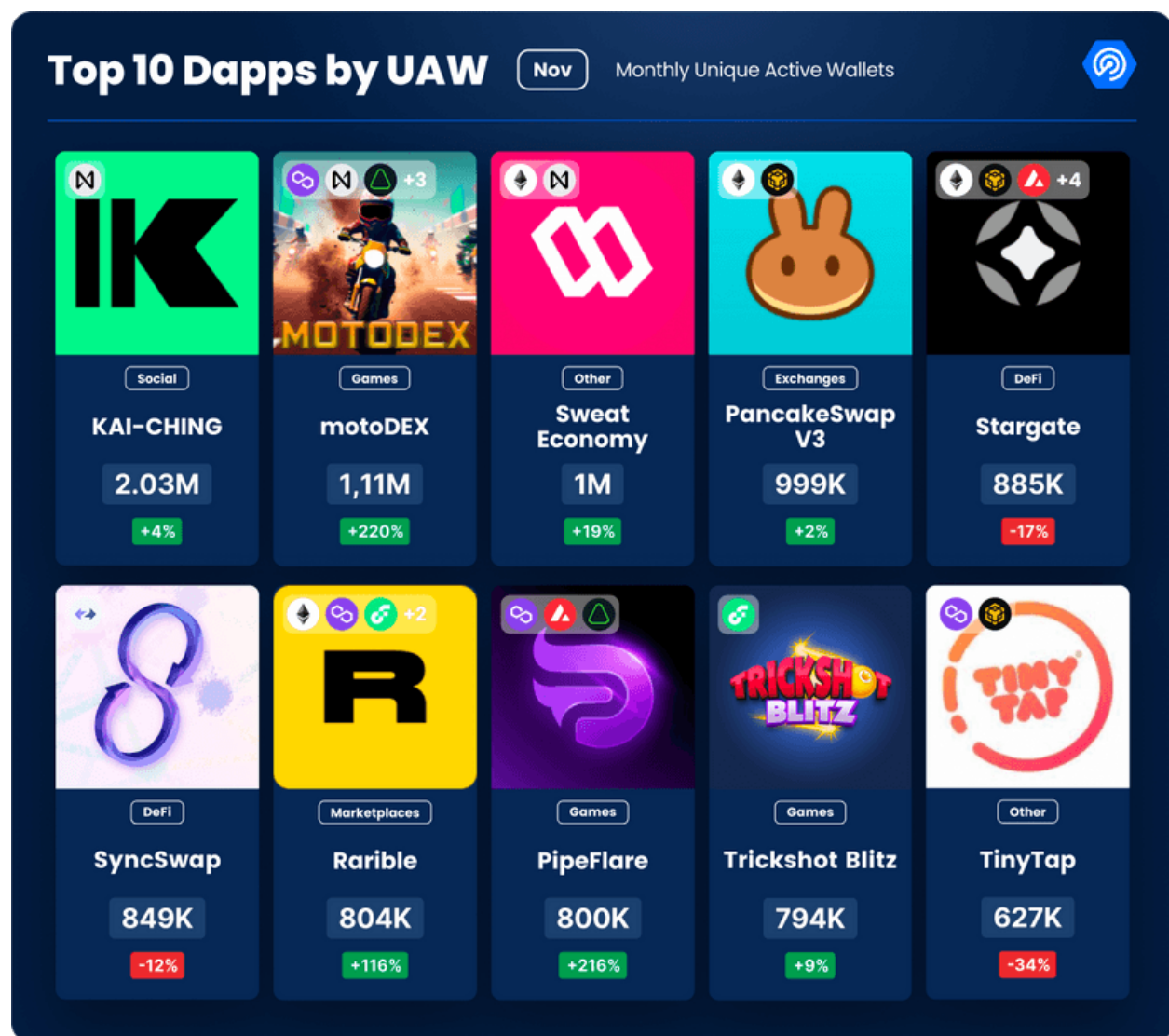
When examining blockchain networks, [zkSync Era](#) has emerged as a frontrunner, closely followed by [Near](#). [BNB Chain](#), while third in terms of UAW, leads in the number of dapps integrated on DappRadar.

#	Name	Token Price	Dapps	Contracts	Total UAW	DeFi TVL	NFT volume	Transactions	Dapps volume
1	zkSync Era ETH	\$2,21k +18,37%	161 +23	6,02k	4,24M -15,87%	\$98,3M -0,76%	\$2,22M -86,2%	9,74M -21,45%	\$4,31B -10,84%
2	Near NEAR	\$2,18 +36,25%	85 +4	2,62k	3,57M +9,93%	\$100,14M +23,78%	-	29,51M +4,41%	\$49,83M +61,53%
3	BNB Chain BNB	\$231,57 -3,62%	5,085 +50	63,71k	3,24M -15,12%	\$2,16B +4,87%	\$2,02M +104,36%	18,52M -0,28%	\$13,86B +29,02%
4	SKALE SKL	\$0.0424 +54,89%	33 +3	186	2,51M +142,88%	-	-	22,89M +34,34%	\$113,25k +119,03%
5	Polygon MATIC	\$0.794 +16,16%	1,906 +50	80,39k	1,76M -13,67%	\$739,55M +13,1%	\$12,4M +136,19%	14,09M +9,13%	\$8,11B +53,95%
6	Solana SOL	\$60,68 +48,43%	210 +14	1,62k	1,72M +119,21%	\$1,01B +34,81%	\$19,68M +415,18%	319,63M +8,86%	\$1,34B +44,97%

For detailed insights on blockchain chain performance, our [chains rankings](#) offer comprehensive information.

2. KAI-CHING becomes the most used dapp

November 2023 has unveiled diverse trends in the dapp industry, particularly among [the top 10 dapps ranked by Unique Active Wallets \(UAW\)](#). This month's data reflects a resurgence in industry diversification.



A notable highlight is the performance of two dapps on the Near blockchain, propelling Near past Bitcoin and Ethereum in daily transactions and active

addresses. The first, [KAI-CHING](#), a shopping app, has garnered attention through its partnership with the retail giant Cosmose AI. This collaboration, leveraging artificial intelligence for enhanced shopping experiences, was initiated in April. The partnership saw Cosmose AI transition from Stripe to KAIKAI, a move that has facilitated over 1 million transactions through the app. The second Near-based dapp, occupying our third spot, is [Sweat Economy](#). This app has consistently ranked highly in recent months, revitalizing the move-to-earn movement. Its significant U.S. launch in September contributed to closing November with more than 1 million UAW.

In the blockchain gaming sector, there's a renewed momentum. Historically the most dominant vertical in Web3, gaming dapps are now climbing our rankings. A prime example is [motoDEX](#), a blockchain game available on both Google Play Store and the App Store. This marks a significant milestone as it enters our rankings for the first time.

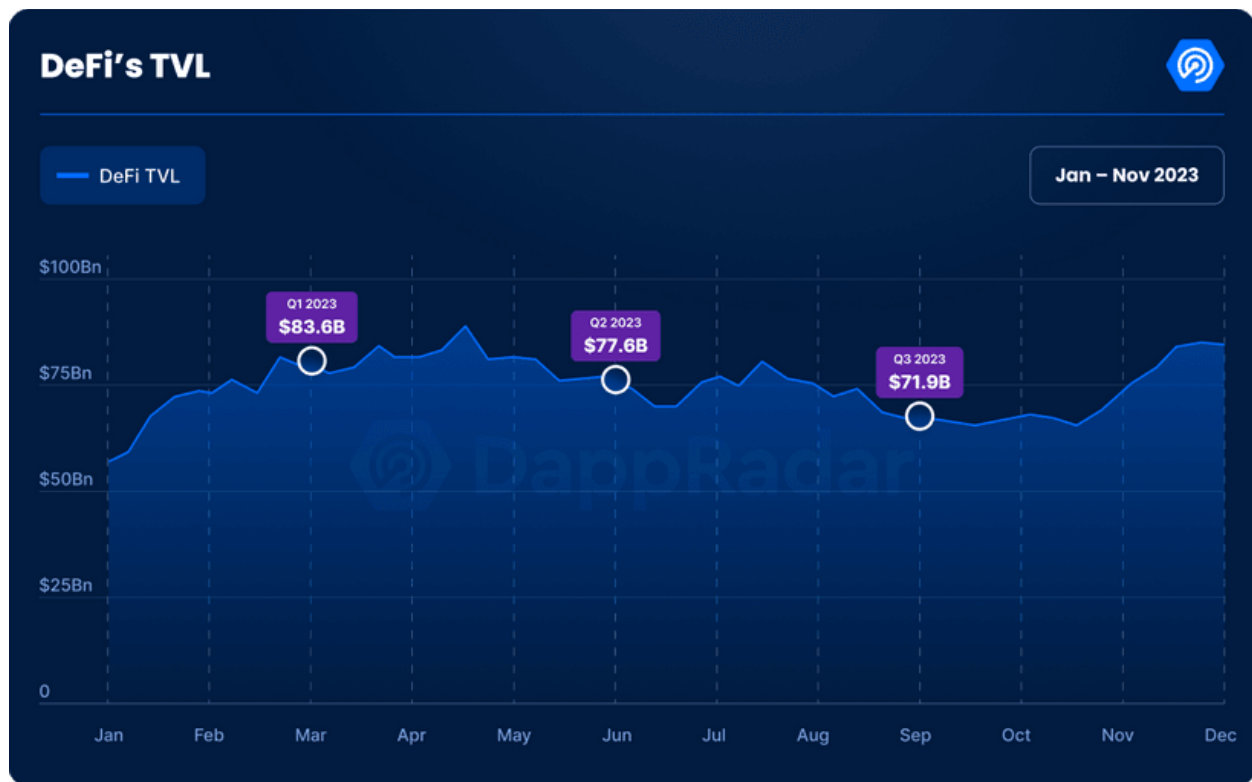
Additionally, our monthly rankings feature other gaming platforms like [PipeFlare](#), hosting over 17 games, and [Trickshot Blitz](#), marking its debut in the top 10 UAW dapps.

DeFi continues to be a vital sector, with three dapps in the top rankings, alongside [Rarible](#) from the NFT space.

What do these rankings tell us? From my perspective, they indicate a reinvigorated growth in the dapp industry, with user interest increasingly spanning across the most critical industry verticals.

3. DeFi's TVL increased 12%, Ethereum holds 70% share

In November 2023, the Total Value Locked (TVL) in the [DeFi ecosystem](#) witnessed a significant uptrend, increasing from \$77 billion to \$86 billion. This 12% rise in TVL is a clear indicator of a revitalized market sentiment, possibly heralding the early stages of a bull run. This resurgence is largely driven by the rising token prices and a rekindled optimism within the broader crypto industry.



[Ethereum](#) continues to assert its dominance in the DeFi space. Its TVL experienced a substantial jump of 20%, reaching \$60.56 billion, thereby reinforcing its central position in DeFi activities. On the other hand, [Solana](#) showcased an impressive rebound with a 75% increase in its TVL, marking a significant turnaround from the difficulties it faced after the downfall of Sam Bankman-Fried's crypto exchange FTX in the previous year.



A key development in November was when the team behind [the NFT marketplace Blur](#) announced [Blast](#), an innovative Ethereum Layer-2 scaling solution utilizing optimistic rollup technology. Although still in its nascent stages and not yet fulfilling all criteria to be classified as a Layer-2 solution, Blast has garnered significant attention. In its first week alone, it attracted over \$500 million in TVL. This quick adoption rate by users, involving assets like ETH staked in Lido and DAI in Maker DSR, allowed Blast to surpass other competitors such as zkSync Era, ranking it as the fourth largest L2 in terms of value locked.

[For a detailed understanding of Blast and its potential impact, refer to the DappRadar guide on Blast Layer 2 Chain.](#)

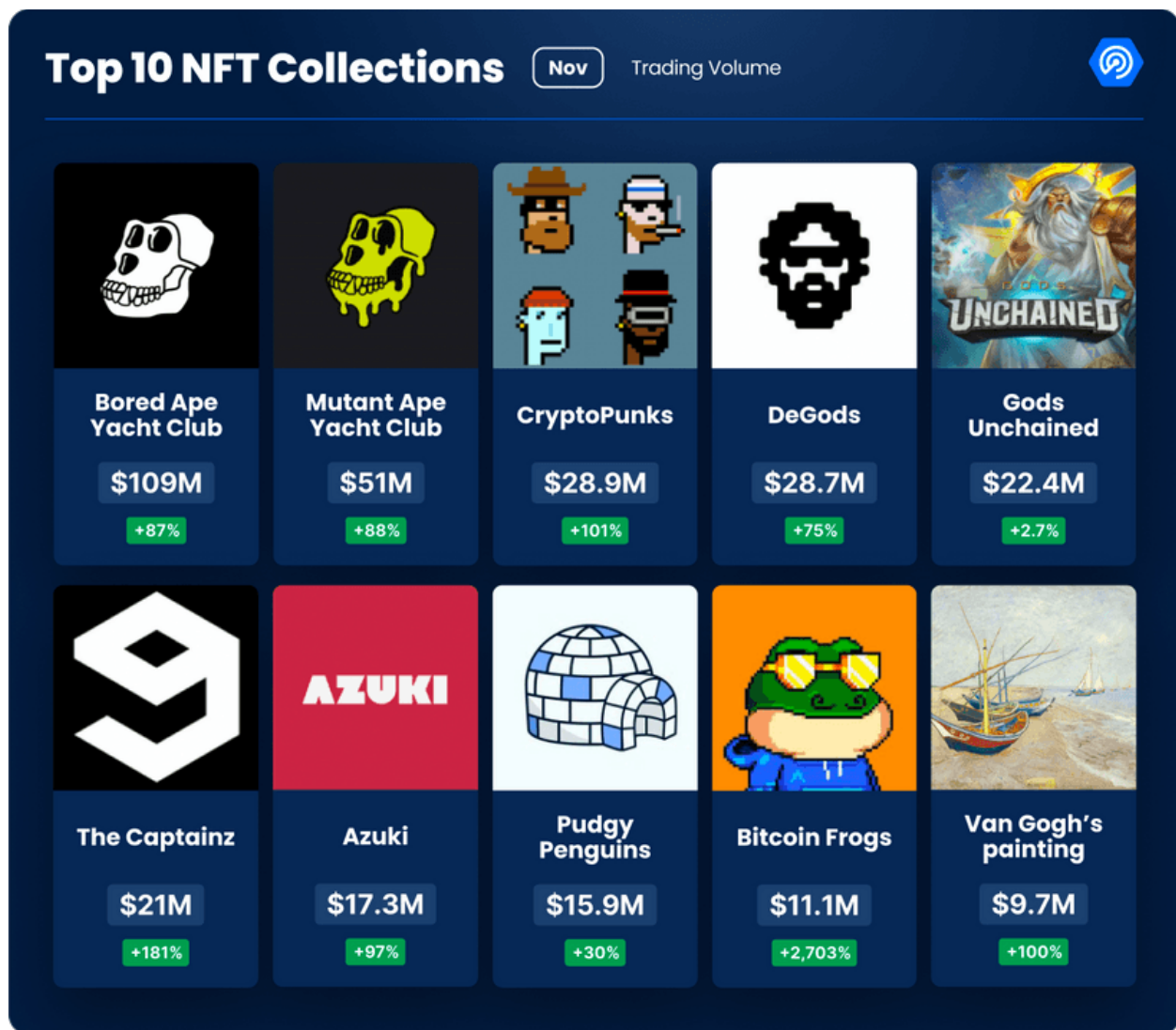
The DeFi sector, bolstered by these developments and the impending Bitcoin halving, shows promising signs of sustained growth. This anticipatory atmosphere suggests a potential further boost in activity across various blockchain ecosystems.

4. NFT trading rose to \$994 million

The [NFT industry](#) has maintained its upward momentum for the second consecutive month, marking a significant increase not only in Unique Active Wallets (UAW) but also in trading volume. This month, the NFT trading volume surged by an impressive 125%, nearing the \$1 billion mark once again. Concurrently, the sales count experienced a modest 5% rise, totaling 3.6 million transactions. This data suggests a notable shift in user behavior, with an increased inclination towards buying and selling NFTs at higher prices. The average transaction value has climbed from \$126 last month to \$270 this month, a striking increase of 114%.



The burgeoning interest and investment in NFTs could be partly attributed to the general sentiment of a bull market in the crypto sphere. Typically, in such market conditions, capital tends to flow towards NFTs. While this trend is evident in blue-chip NFT collections, it's crucial to note that many lower-tier or less prominent collections may not experience a similar recovery.



The evolving use cases of NFTs might alter this dynamic in the future. However, for now, NFTs seem to be moving in tandem with the broader crypto market, reflecting similar patterns of investment and interest. This symbiotic relationship between NFTs and the wider fungible crypto market continues to shape the trajectory of the NFT industry.

5. OKX becomes the second largest NFT marketplace by trading volume

In line with the burgeoning trend in the NFT industry, a closer examination of the top NFT marketplaces this month reveals significant developments and shifts in market dominance.



[Blur](#) has solidified its position as the industry giant, commanding a remarkable 35% share of the NFT trading volume this month. As highlighted in the third section of our report, the team behind Blur has recently launched Blast, an EVM-compatible Layer-2 blockchain. They've also stirred excitement within the crypto community with the [announcement of a new token airdrop](#).

[OKX NFT marketplace](#) has ascended to the second position, securing a substantial 32% dominance in the NFT sector. Its rise can be attributed to its unique offering of BTC Ordinals art pieces. Notably, our Top NFT sales data from the past 30 days indicates a high volume of [Van Gogh's Painting](#) transactions on this platform.

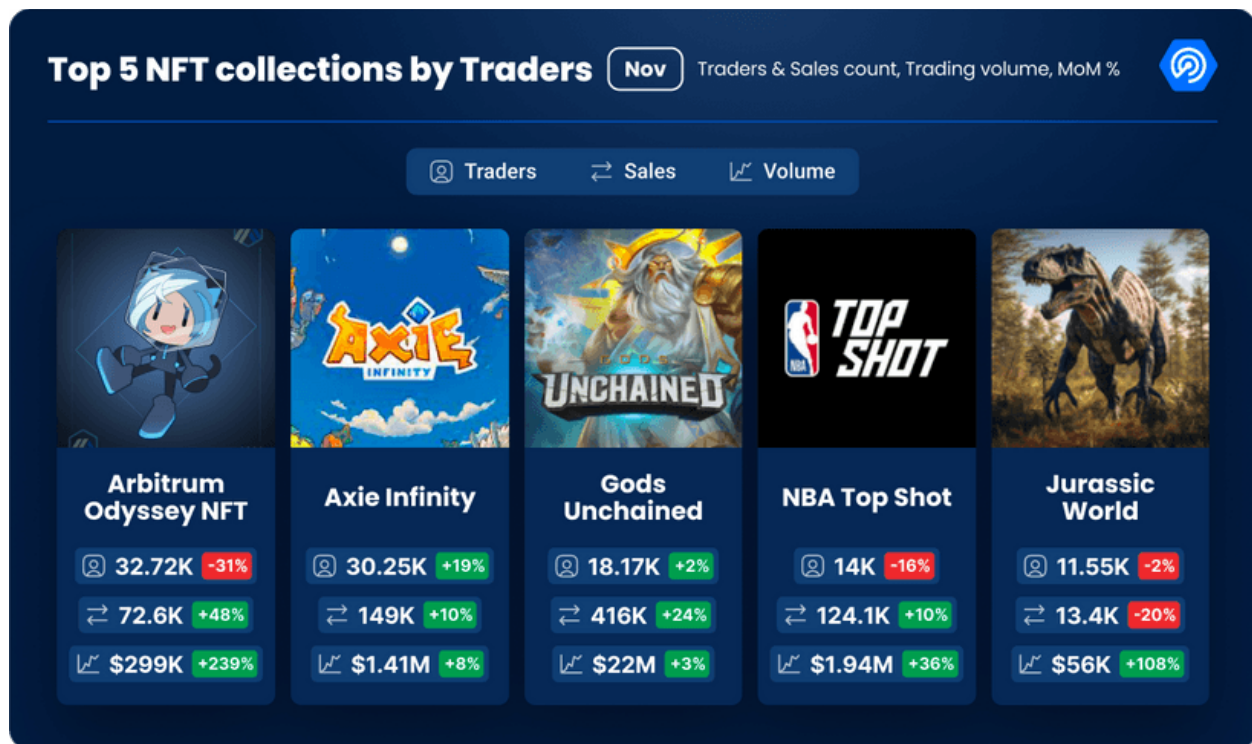
[UniSat](#), ranking fourth, has witnessed a significant increase in trading volume. This boost is closely linked to the renewed popularity in trading [BTC ordinals](#). Lastly, [OpenSea](#) maintains its third spot, holding a 10% market share in terms of trading volume. However, it stands out as the most dominant marketplace

in terms of the number of traders, reaffirming its status as the most well-known and widely used NFT trading platform for the general public.

6. Blockchain gaming holds 34% dominance over the dapp industry

In November 2023, the [blockchain gaming sector](#) has demonstrated robust growth and enduring appeal. The sector reached a remarkable 1.2 daily unique active wallets (dUAW), which signifies a 14% increase compared to the previous month. With a substantial 34% share of the Web3 space, blockchain gaming continues to be a fundamental pillar in the decentralized ecosystem.

While a more detailed analysis of blockchain gaming is reserved for our forthcoming gaming-specific report, it's essential to highlight a significant trend observed this month. A key observation is that three of the top five most-traded NFT collections are rooted in blockchain games. This synergy between NFTs and gaming is far from coincidental. It underscores the deepening integration of NFTs within the gaming world, reflecting a nuanced and evolving relationship between these two sectors.



For those keen on delving further into these trends, our detailed gaming report is set to be published next week. Should you be reading this post-14 December, we encourage you to visit [our reports page](#). There, you can access comprehensive insights and analysis of the dynamic blockchain gaming landscape.

7. \$311 million lost due to exploits and hacks

November, a month marked by a bullish resurgence in the dapp industry, has unfortunately also witnessed a spike in hacks and exploits. Alongside new users drawn by the industry's growth, there has been an increase in security incidents.

According to the [REKT Database](#), November saw a staggering \$311 million lost due to hacks and exploits, spread across 19 separate incidents. Notably, 37% of these incidents occurred on the BNB Chain, while a significant 58% were on the Ethereum chain.

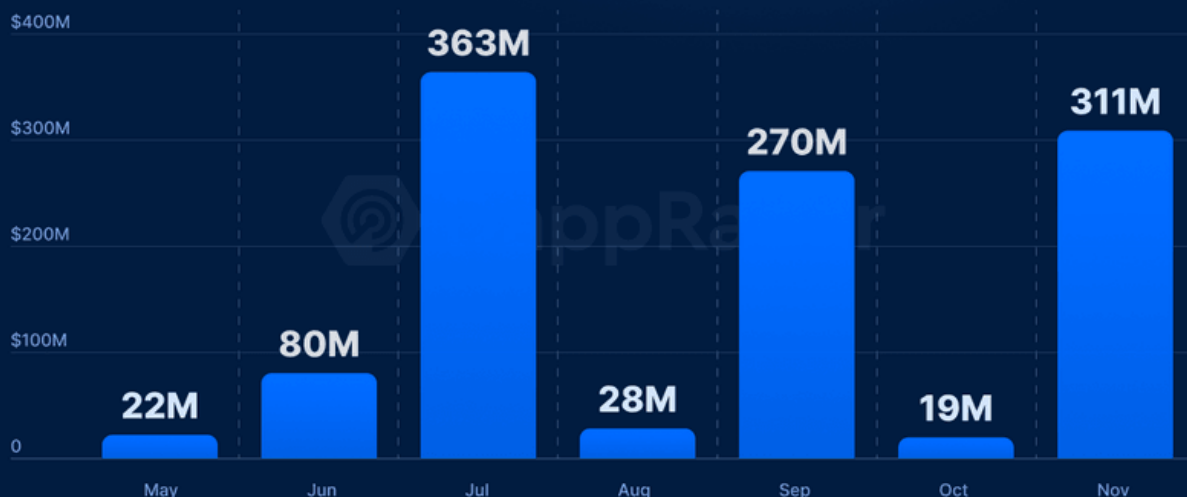
Exploits and Hacks in the Dapp World

Source: REKT Database



Hacks and Exploits, M USD

May – Nov 2023



The most substantial single incident involved the Poloniex exchange, accounting for 40% of the month's total funds lost, totaling \$123 million. This loss was due to an access control exploit. The attack saw the exploitation of Poloniex's wallet, leading to withdrawals across Bitcoin, Ethereum, and Tron chains. The stolen assets were then converted to native tokens and moved to new EOA addresses. Justin Sun, the owner of the exchange, offered a 5% bug bounty to the hacker and set a 7-day deadline before involving law enforcement. Market research platform X-explore has speculated that the Lazarus Group, known for its connections to North Korea, might be behind this attack.

Another significant exploit was the Heco Bridge incident, representing 28% of November's total funds lost, which resulted in over \$86 million being siphoned off on 22 November. This was due to compromised private keys of a privileged address, enabling the attacker to withdraw funds from the bridge's smart contract. The stolen funds were then funneled to the hacker's primary address in a series of transactions and subsequently swapped for ETH on various DEXes using multiple EOA addresses.

8. Closing words

As we wrap up our Dapp Industry Report for November 2023, it's evident that the sector is experiencing a robust resurgence. The notable increase in daily unique active wallets (dUAW) across various verticals, the substantial growth in the DeFi sector's total value locked (TVL), and the sustained upward trend in the NFT market all point to a vibrant and expanding industry.

The dominance of key players in the NFT marketplace, the increasing integration of NFTs within the blockchain gaming sector, and the continued evolution of these markets are pivotal trends shaping the future of the dapp ecosystem. Furthermore, the entry of new platforms like Blast, enhancing the scalability and efficiency of Ethereum, signifies ongoing innovation and adaptation within the space.

However, alongside these positive developments, the industry faces significant challenges. The increase in hacks and exploits, resulting in substantial financial losses, underscores the need for heightened security measures and vigilant risk management strategies. These incidents serve as a reminder of the complexities and vulnerabilities inherent in a rapidly evolving digital environment.

As we move forward, the key will be to balance innovation and growth with security and trust. Ensuring user safety and confidence will be critical in maintaining the upward trajectory of the dapp industry. With the anticipation of future developments like the Bitcoin halving and evolving blockchain technologies, the industry stands at a promising yet critical juncture.