VF Blockchain

Altcoin Gems for 2024

PYTH NETWORK (PYTH)

One altcoin gem for the year 2024 is the decentralized oracle Pyth Network (PYTH). Pyth was launched in 2021 and can be regarded as the "Chainlink on Solana." Pyth benefits from Solana's resurgence, with the oracle protocol no longer confined solely to the Solana blockchain. According to DeFiLlama, 25% of all dApps already utilize Pyth as their primary oracle.

Currently, Pyth provides over 400 price feeds for major asset classes, including cryptocurrencies, stocks, ETFs, currencies, and commodities, which can be used in DeFi applications across a total of 45 supported blockchains. For comparison, Chainlink (LINK) offers just four price feeds on 15 supported blockchains. Among the 45 blockchains supported by Pyth are not only Solana but also the Ethereum blockchain and all EVM-compatible chains, as well as Cosmos-based platforms like Injective. Additionally, the Pyth oracle network delivers data much faster to users, which is highly relevant in the rapidly growing market environment, making Pyth the preferred oracle.

Asset manager VanEck predicts that Pyth will surpass the current industry leader Chainlink in terms of total value saved (TVS) in the future. Currently, Pyth's TVS stands at nearly $2 billion, making it the fourth-largest oracle protocol after just one year. Chainlink leads the list of largest oracle protocols with a TVS of $14.7 billion, but VanEck believes that the high-performance blockchain Solana will continue to outperform the Ethereum blockchain this year as users, and thus the total value locked (TVL), return to the Solana blockchain. Accordingly, Solana is expected to rise to the top three blockchains by market capitalization this year. This could also increase the value secured via Pyth as the leading oracle on Solana (SOL).

The native token PYTH is a pure governance token used for on-chain voting on proposals. The initial supply of PYTH is 1.5 billion tokens, of which 255 million PYTH have been distributed via airdrop to eligible users on Solana, Apto, Sui, and Co. An additional 8.5 billion PYTH will be gradually released over the next 6 to 42 months after mainnet launch, resulting in a total supply of 10 billion PYTH in the long term. With a market capitalization of just $500 million compared to competitor Chainlink ($8 billion), Pyth has significant potential for growth and is therefore, in our view, the more promising investment.

Target Price:	$1.20 to $1.60
Stop Loss:	$0.20

SEI NETWORK (SEI)

Another gem among altcoins in 2024 is the Sei Network (SEI), often referred to as the "Solana Killer" or the "decentralized NASDAQ." Sei is not only the fastest Layer1 blockchain globally in terms of transaction finality but also uniquely integrates a solution for decentralized high-frequency trading, setting it apart from Solana, Aptos, Sui, and others.

Sei Network (SEI) ultimately offers the first real trading alternative to centralized crypto exchanges through its integrated order book with deep liquidity, essential for a seamless trading experience. The natively integrated order matching mechanism within the blockchain can be utilized by any dApp on Sei for their purposes and prevents any form of front-running of trade orders, unlike the competition. Sei asserts that every trading dApp (DEX, NFT marketplace, or gaming DEX) operates better on the Sei platform than on any other Layer1 blockchain. Indeed, due to its technical superiority, more and more dApps are migrating to the Sei Network.

However, Sei sets itself apart from Solana and Aptos not only through its integrated order book but also through several technical advantages. The application-specific blockchain employs a "Twin-Turbo" consensus, which parallelizes transaction processing in a market-based manner—a unique form of parallelization allowing for the processing of up to 20,000 trade orders per second, with exceptionally short block times and a finality of just 390 milliseconds—an absolute record and crucial for decentralized trading.

In the first half of 2024, the upgrade to Sei v2 is scheduled, making the network additionally EVM-compatible. Alongside Cosmos smart contracts, native Ethereum smart contracts can then be migrated and invoked. Thus, Sei also benefits from the Ethereum upgrade Dencun, set to debut on the mainnet shortly. Moreover, the throughput is expected to be increased to nearly 30,000 Tx/s.

Sei Labs comprises top talents from Google, Nvidia & Co. and has already raised $120 million from reputable investors and VCs like Jump Crypto, Multicoin Capital, etc.

The native cryptocurrency SEI is used for all transaction fees on the network, as well as for staking + governance. Additionally, SEI serves as security for DeFi activities and for trading fees, etc. In our opinion, despite strong price increases, the project still has potential.

Target Price:	$4.50 to $5.50
Stop Loss:	$0.35

AXELAR NETWORK (AXL)

The third gem among altcoins for the year 2024 is the Axelar Network (AXL). The cross-chain protocol was developed four years ago by two Algorand founders with the aim of creating the "Internet of Blockchains." Thus, Axelar competes directly with Cosmos (ATOM), Polkadot (DOT), or LayerZero (ZRO).

Axelar enables full interoperability across over 56 blockchains through its "Interchain," allowing users to interact with any asset or dApp on any chain with just one click. In this way, Axelar addresses the fragmentation problem in the current blockchain ecosystem, which is becoming increasingly complex and diverse due to modular blockchains, layer-2 rollups, and other chains. Additionally, users only need a single wallet with Axelar to interact with all blockchains, which is also expected to positively impact the user experience in Web3. Transactions worth over $7 billion have already flowed through the Axelar network.

The Axelar ecosystem has grown significantly over the past year. Hundreds of protocols and dApps are already built on Axelar (AXL), including top DeFi blue chips like dYdX, Lido Finance, Sushi, and PancakeSwap. The flagship dApp for interoperable swaps, the Cross-Chain Router Squid, launched in January 2023, enabling, for example, native ERC-20 tokens to be exchanged for Cosmos-based tokens with deep liquidity. Additionally, the popular gaming chain Immutable (IMX) recently announced a partnership with Axelar, making blockchain gaming more interoperable than ever, allowing in-game assets to move seamlessly between all ecosystems. Axelar also boasts partnerships in the enterprise sector with Microsoft, Mastercard, and JPMorgan (for their own Onyx blockchain).

In 2024, Axelar's focus is on completing its own virtual machine (Axelar VM). This will allow developers to create their dApps once (regardless of the development environment) and run them on all blockchains. Furthermore, AXL tokenomics are expected to significantly improve, particularly benefiting from the high coin inflation.

AXL is the native cryptocurrency in the Axelar network, used for securing (staking) and governing the network. The initial supply of AXL is 1 billion tokens, with the circulating supply not yet finally capped. Currently, over half of all AXL is staked in the protocol.

There is considerable institutional interest in the project. The team has raised approximately $110 million from Binance, Coinbase Ventures, Polychain Capital, and Galaxy Digital. In our opinion, Axelar is definitely one of the top projects for 2024.

Target Price:	**$2.25 to $2.75**
Stop Loss:	**$0.55**