

# State of Ethereum Q4 2025

Despite Highest Deployment On The Record, Ethereum Ended The Quarter In Red



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# Executive Summary



# Executive Summary

As of January 13, 2026, Ethereum trades at **\$3,131**, down approximately **6% year-over-year** from January 1, 2025's \$3,337 opening. Despite reaching a new all-time high of **\$4,953** on August 24, 2025, the subsequent decline has returned ETH to negative annual performance.



## Ethereum’s 2025 Price Action

Period	Movement	Change
Q1 Correction	\$3,337 → \$1,471	-56%
Q2-Q3 Rally	\$1,471 → \$4,953	+237%
Q4 Decline	\$4,953 → \$2,921	-41%
Year End	\$3,337 → \$2,921	-12%

Source: Investing.com, Teroxx Research



## ETH Price Performance 2025



Source: Investing.com, Teroxx Research

Q4 2025 exposed a growing divergence: adoption metrics surged while L1 value capture deteriorated. Real Economic Value contracted **73% for the full year**. L2s paid just **\$766,000** in settlement fees to L1 in Q4, a 94% collapse YoY.

**The Central Question:** Is Ethereum deliberately sacrificing near-term revenue to win the infrastructure war? Or does the current architecture permanently route economic value away from ETH holders?

# Operating Performance & Value Capture

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## Real Economic Value

**Real Economic Value (REV)** measures actual fees paid to use L1 blockspace: Base Fees + Priority Fees + MEV Tips + Blob Fees.



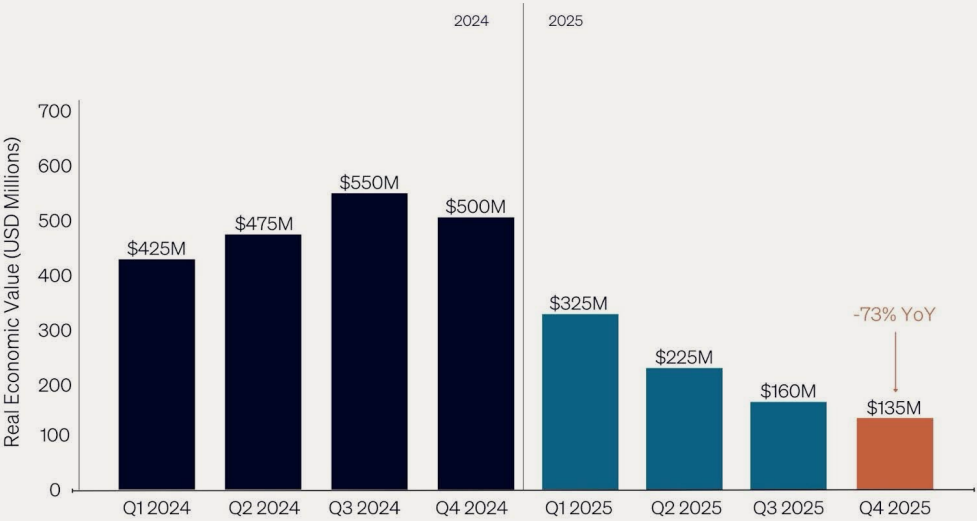
### Ethereum Real Economic Value

Component	Q4 Change	2025 Change
Base Fees	-47%	-86%
Priority Fees	-29%	-50%
MEV Tips	+40%	-35%
Blob Fees	-9%	-42%
Total REV	-16%	-73%

Source: Token Terminal, Teroxx Research



### Ethereum L1 Real Economic Value (REV) by Quarter (2024-2025)



Source: Token Terminal, Teroxx Research

**Real Onchain Yield** (Priority Fees + MEV) averaged just **0.22% APY** in Q4, down **48% YoY**. Validators now depend almost entirely on protocol issuance (2.72%) rather than organic fee generation.

Network GDP

Despite REV collapse, applications on Ethereum L1 generated **\$8.6 billion in fees** during 2025 (+15% YoY).



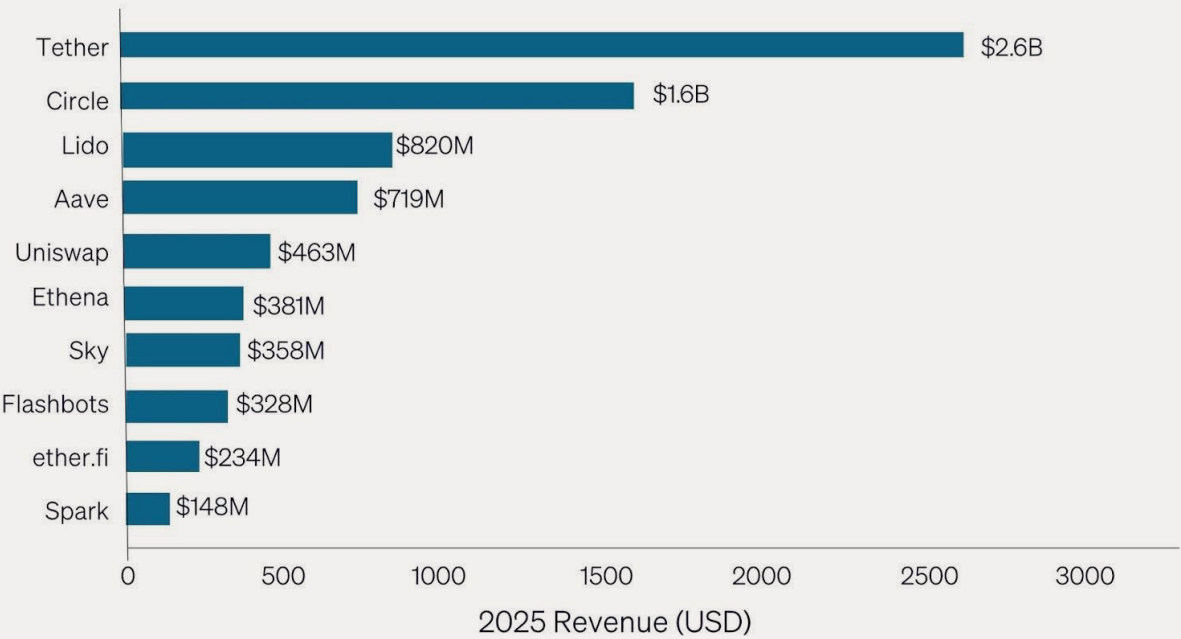
Top Revenue Generators (2025)

Protocol	Revenue	Category
Tether (USDT)	\$2.6B	Stablecoin
Circle (USDC)	\$1.6B	Stablecoin
Lido	\$820M	Liquid Staking
Aave	\$719M	Lending
Uniswap	\$463M	DEX

Source: Token Terminal, Teroxx Research



Top 10 Protocol Revenue on Ethereum L1 (2025)



Source: Token Terminal, Teroxx Research

## L2 Rent to L1

L2s paid just **\$766,000** to Ethereum L1 in Q4 (+31% QoQ, but **-94% YoY**). The Pectra upgrade expanded blob throughput faster than demand grew, settlement fees will remain depressed until L2 activity fills available capacity.

**Cost to Produce \$1 of REV** reached **\$11.54** in Q4, an all-time high, indicating security costs increasingly disconnected from revenue generation.

# Corporate Treasury Revolution

# Corporate Treasury Revolution

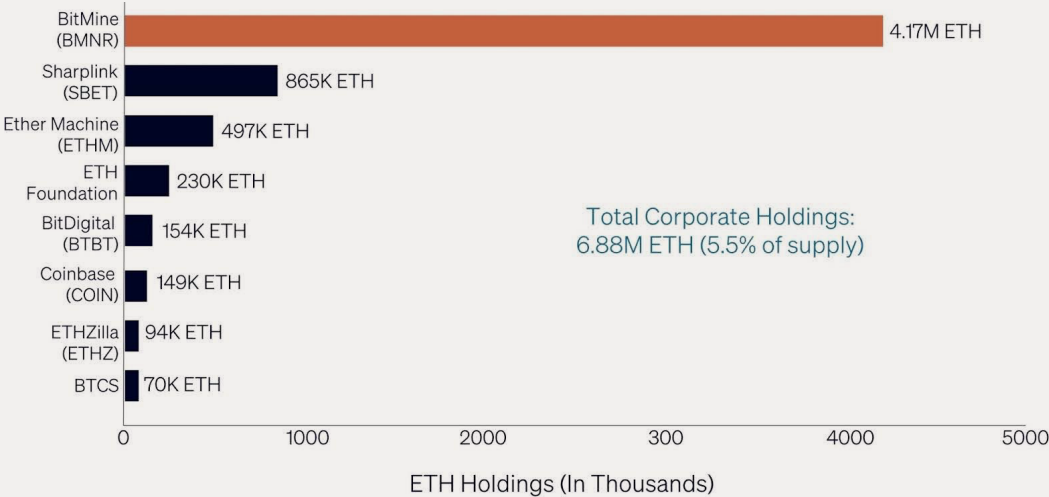
2025 witnessed rapid emergence of corporate Ethereum treasury strategies, with 67 public entities accumulating 6.88 million ETH (~\$21.4B), over 5.5% of total supply.

## Major Holders (January 2026)

Protocol	Ticker	ETH Holdings	Value	% Supply
BitMine Immersion	BMNR	4,167,768	\$13.0B	3.45%
SharpLink Gaming	SBET	864,840	\$2.7B	0.72%
The Ether Machine	ETHM	496,735	\$1.55B	0.41%
Ethereum Foundation	—	229,470	\$718M	0.19%

Source: Token Terminal, DefiLlama, Coinglass, The Block, Teroxx Research

## Top Corporate ETH Treasury Holdings



Source: Token Terminal, DefiLlama, Coinglass, The Block, Teroxx Research

**BitMine (NYSE: BMNR)**, backed by Founders Fund and ARK, holds 3.45% of total ETH supply with a target of 5% (~6M ETH). Their "Made in America Validator Network" stakes 827,008 ETH, generating ~\$374M annually.

**SharpLink (NASDAQ: SBET)**, with Ethereum co-founder Joseph Lubin as Chairman, maintains a "100% ETH and 100% staked" strategy, earning 10,600+ ETH in staking rewards since June 2025.



# Institutional Adoption

# Institutional Adoption

## ETF Landscape

Nine spot Ethereum ETFs manage approximately \$18.7 billion in net assets (5.04% of market cap).



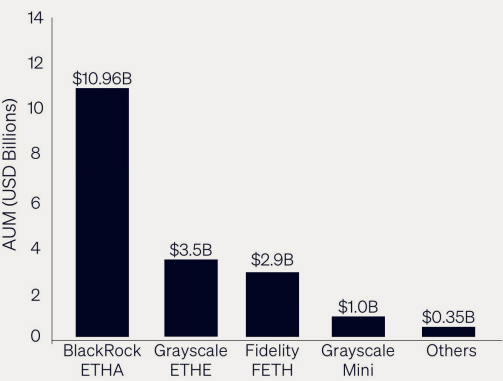
### Top Ethereum Spot ETF's

Fund	Ticker	AUM
iShares Ethereum Trust	ETHA	\$10.96B
Grayscale Ethereum Trust	ETHE	~\$3.5B
Fidelity Ethereum Fund	FETH	~\$2.9B
Grayscale Ethereum Mini	\$ETH	~\$1.0B

Source: CoinGlass, The Block ETF Tracker, Blackrock ETHA, Glassnode, Teroxx Research,



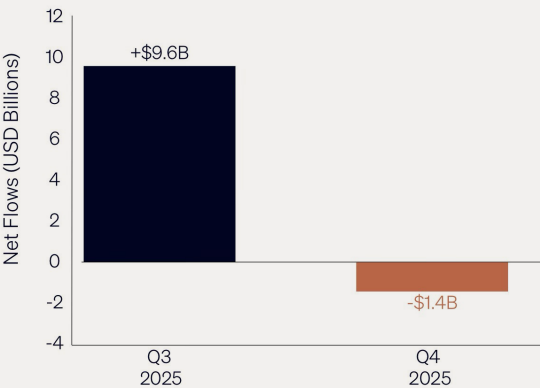
### Spot ETH ETF Holdings by Fund



Source: CoinGlass, Glassnode, Teroxx Research



### ETF Flow Reversal: Q3 vs Q4



Source: CoinGlass, The Block ETF Tracker, Blackrock ETHA, Glassnode, Teroxx Research



Q4 Flow Dynamics

Quarter	Net Flows
Q3 2025	+\$9.6B
Q4 2025	-\$1.4B

Source: CoinGlass, The Block ETF Tracker, Blackrock ETHA, Glassnode, Teroxx Research

ETH holdings dropped from peak 6.9M to 6.07M ETH (-12%), but this modest reduction given the 41% price decline suggests institutional conviction rather than panic selling.

# The Stablecoin Economy

# The Stablecoin Economy

Stablecoin supply on Ethereum grew 43% to \$181 billion despite ETH's negative price performance—perhaps the strongest fundamental signal of 2025.



## Current Supply (December 31, 2025)

Stablecoin	Supply	Share	2025 Change
USDT	\$94.2B	52%	+45%
USDC	\$52.5B	29%	+38%
USDe	\$6.1B	3.4%	New
USDS	\$5.8B	3.2%	New
Total	\$181B	—	+43%

Source: DefiLlama, Teroxx Research



## Ethereum Stablecoin Supply Growth (USDT + USDC + USDe + USDS + Others)



Source: The Block, DefiLlama, Teroxx Research

Record Transaction Volume

Q4 2025 set records: **\$8 trillion** in stablecoin transfer volume, nearly **doubling** Q3's \$4.1 trillion.



Ethereum Transaction Volume

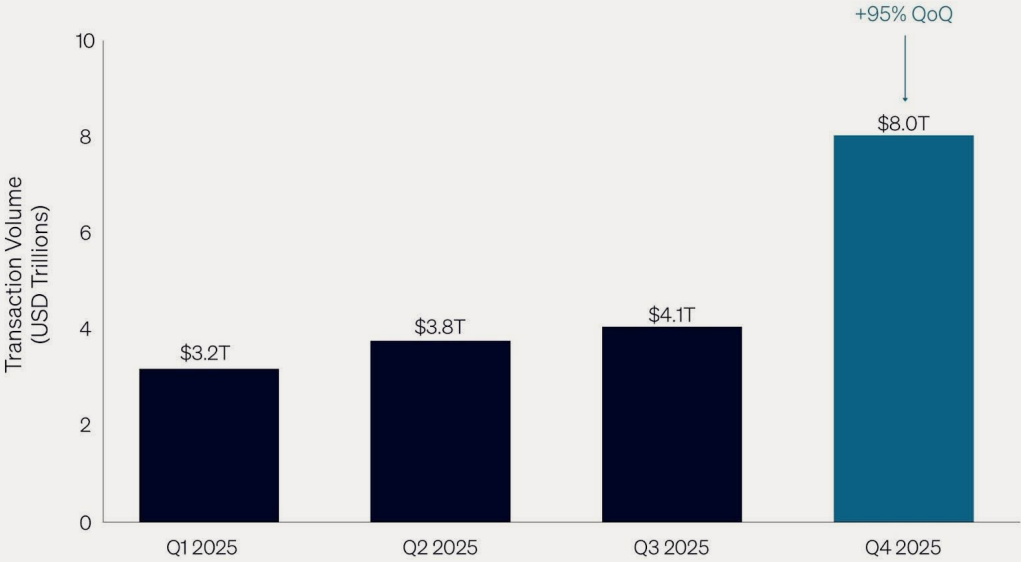
Month	Volume
October 2025	\$2.82T (record)
November 2025	~\$2.6T
December 2025	~\$2.6T

Source: Token Terminal, Teroxx Research

This \$2.82T monthly figure represents ~\$91 billion per day, **exceeding Visa's quarterly volume**.



Ethereum Stablecoin Volume by Quarter (2025)



Source: The Block, Teroxx Research

Ethereum maintains **65% of global stablecoin supply** (\$181B of ~\$280B total).

# Network Fundamentals

# Network Fundamentals

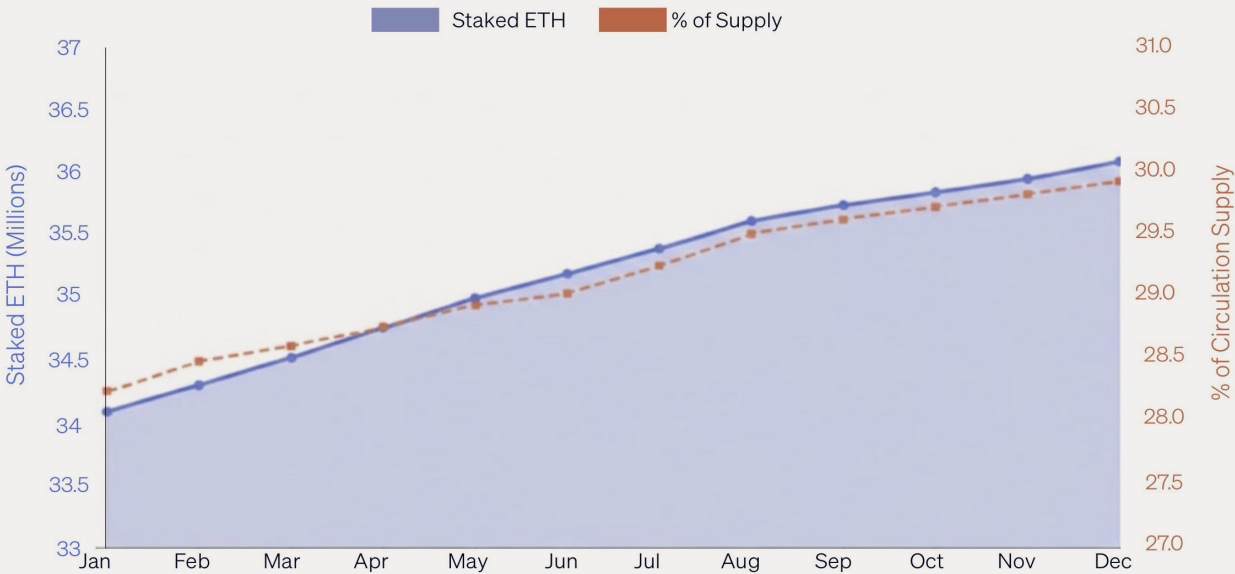
## Staking

### Staking (As of December 31, 2025)

Metric	Value	Change
Total Staked	36.04M ETH	+5.34% YTD
% of Supply	29%	+1.5pp
Validators	~1,000,000	+4% YTD
Total Yield	2.94% APY	-12% YoY
Economic Security	~\$105B	—

Source: Beaconcha.in, Teroxx Research

### Ethereum Staking Growth 2025



Source: Beaconcha.in, Teroxx Research

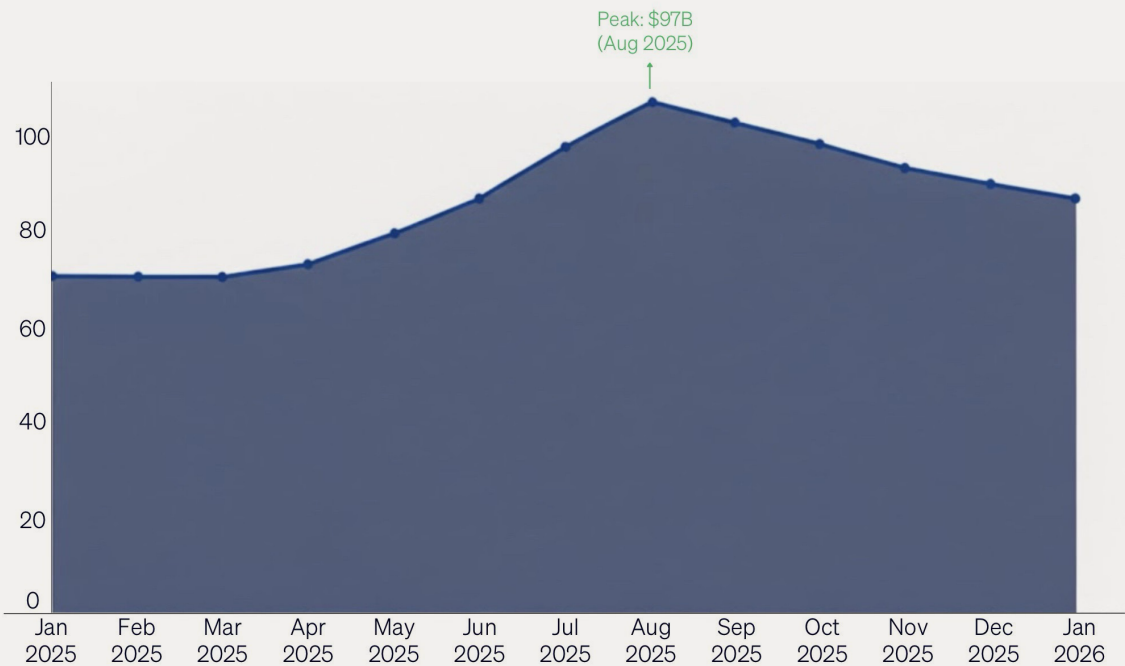


DeFi Activity

- TVL: \$72.49B (peaked at \$97B in August)
- ETH-denominated TVL: Grew from 25M to 31M ETH (+24% YTD)
- L1 DEX Volumes: +51% YoY
- Active Loans: \$18.6B (Aave holds 82% market share)
- RWAs Onchain: \$10B+ (+144% YoY)



Ethereum DeFi TVL 2025



Source: Defillama, Teroxx Research



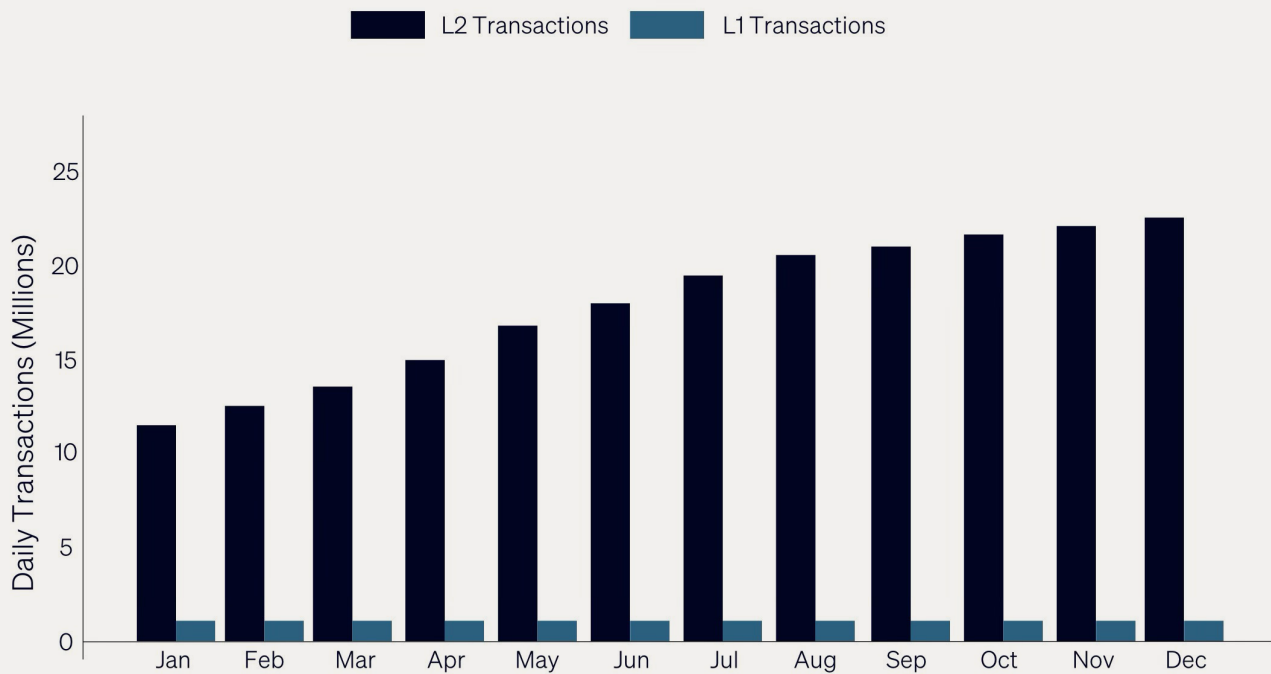
Layer 2 Ecosystem

Metric	Q4 2025	YoY Change
Daily Transactions	22.5M	+98%
Daily Active Addresses	Declining	-42% QoQ
L2 Fees	\$117M/yr	-60%

Source: L2BEAT, Teroxx Research



L2 vs L1 Daily Transaction Volume 2025



Source: Token Terminal, Teroxx Research

Base dominates with 57% of L2 transactions and was the only profitable L2 in 2025, netting approximately \$55M. Profitability here means Base collected more in user transaction fees than it paid to Ethereum L1 for blob space and settlement. Other major L2s, including Arbitrum and Optimism, operated at a loss, spending more on L1 data costs and token incentives than they earned from users. Many L2s intentionally subsidize transactions to attract adoption, betting that scale will eventually flip the economics. The Dencun and Pectra upgrades made blobs dramatically cheaper, which helped L2 users but also compressed the fees L2s could charge, making profitability even harder to achieve.

Supply Dynamics

- **Circulating Supply:** 120.69M ETH
- **2025 Inflation Rate:** 0.74% (lower than Bitcoin)
- **Fusaka Upgrade (Dec 3, 2025):** PeerDAS enabled 8x blob capacity potential with 85% bandwidth reduction

# Key Metrics Dashboard

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## Ethereum - Key Financial and Network Metrics Overview

Metrics	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	13 January 2026	YoY Change %	QoQ Change %
ETH Price (USD)	\$3,337	\$1,824	\$2,488	\$4,144	\$2,967	\$3,320	-11.1%	-28.4%
Circulating Supply	108.2 m	108.4 m	108.6 m	108.9 m	109.3 m	109.3 m	1.0%	0.4%
Circulating Market Cap. (USD)	\$ 402.0 bn	\$ 219.9 bn	\$ 300.4 bn	\$ 500.2 bn	\$ 358.8 bn	\$ 408.8 bn	-10.9%	-28.4%
Market Cap Dominance	11.8%	8.0%	8.7%	12.4%	11.6%	12.6%	-1.7%	-6.3%
Avg Daily Active Addresses	400.8 k	399.9 k	414.4 k	516.0 k	509.9 k	590.2 k	27.2%	-1.2%
Avg Daily Transactions	1.218 m	1.226 m	1.331 m	1.601 m	1.578 m	1.921 m	29.5%	-1.5%
Avg Gas Price (Gwei)	4,781	1,943	823	848	527	176	-89.0%	-37.9%
Total Staked (USD)	\$ 114.3 bn	\$ 62.8 bn	\$ 88.4 bn	\$ 149.5 bn	\$ 106.7 bn	\$ 120.1 bn	-6.7%	-28.7%
Total Staked (ETH)	34.3 m	34.4 m	35.5 m	36.1 m	35.9 m	36.2 m	5.0%	-0.3%
Share of Staked ETH (%)	31.7%	31.8%	32.7%	33.1%	32.9%	33.1%	3.9%	-0.7%
L1 Transaction Volume	112.1 m	109.0 m	121.1 m	145.2 m	1.9 m	1.9 m	-98.3%	-98.7%
L2 Transaction Volume	1262.9 m	1336.3 m	1383.0 m	2111.4 m	17.4 m	17.4 m	-98.6%	-99.2%
Total Transaction Volume	1375.0 m	1445.4 m	1504.1 m	2256.6 m	19.3 m	19.3 m	-98.6%	-99.1%
Total Crypto Market Cap	\$ 3394 bn	\$ 2762 bn	\$ 3461 bn	\$ 4023 bn	\$ 3074 bn	\$ 3191 bn	-9.4%	-23.6%

Source: Artemis Terminal, Teroux



## Ethereum - Key Network Activity & Usage

Metrics	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	13 January 2026	YoY Change %	QoQ Change %
CORE NETWORK STATS								
Daily Active Addresses	400.8 k	399.9 k	414.4 k	516.0 k	509.9 k	590.2 k	27.2%	-1.2%
Total Active Addresses	36.9 m	36.0 m	37.7 m	47.5 m	46.9 m	0.6 m	27.2%	-1.2%
Daily Transactions	1.218 m	1.226 m	1.331 m	1.601 m	1.578 m	1.921 m	29.5%	-1.5%
Total Transactions	112.1 m	110.4 m	121.1 m	147.3 m	145.2 m	1.9 m	29.5%	-1.5%
ECONOMIC & NETWORK METRICS								
Avg Daily Transaction Fee	\$4.92	\$2.00	\$0.85	\$0.85	\$0.53	\$0.18	-89.3%	-38.0%
Daily Fees Per User	\$14.03	\$23.43	\$2.01	\$2.34	\$1.77	\$0.57	-87.3%	-24.3%
Daily Total Network Fees	\$ 6.0 m	\$ 2.5 m	\$ 1.1 m	\$ 1.4 m	\$ 0.8 m	\$ 0.3 m	-86.1%	-38.9%
Total Transaction Fees	\$ 552.1 m	\$ 220.8 m	\$ 103.3 m	\$ 125.4 m	\$ 493.0 m	\$ 261.2 m	-86.1%	-38.9%
STAKING								
Total Staked (USD)	\$ 114.3 bn	\$ 62.8 bn	\$ 88.4 bn	\$ 149.5 bn	\$ 106.7 bn	\$ 120.1 bn	-6.7%	-28.7%
Total Staked (ETH)	34.3 m	34.4 m	35.5 m	\$ 36.1 bn	35.9 m	36.2 m	5.0%	-0.3%
Share of Staked ETH (%)	31.7%	31.8%	32.7%	33.1%	32.9%	33.1%	1.2%	-0.2%
NETWORK HEALTH RATIOS								
Transactions per Address	3.04	3.07	3.21	3.10	3.09	3.25	1.8%	-0.3%
Total Crypto Market Cap	\$ 3394 bn	\$ 2762 bn	\$ 3461 bn	\$ 4023 bn	\$ 3074 bn	\$ 3191 bn	-9.4%	-23.6%

Source: Artemis Terminal, Teroux

# Conclusion

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## The 2025 Paradox

Ethereum finds itself in an unusual position: undeniably successful as infrastructure, yet struggling to translate that success into returns for tokenholders.

### Growth Metrics (Strong):

- Stablecoins: \$127B → \$181B (+43%)
- Corporate Treasuries: 0 → 6.88M ETH (\$21.4B)
- ETF Holdings: ~2M → 6.07M ETH (+203%)
- RWAs: \$4.1B → \$10B+ (+144%)
- L2 Transactions: +98% YoY

### Value Capture (Concerning):

- ETH Price: -12.5%
- Real Economic Value: -73%
- L2 Rent to L1: -94%
- Real Onchain Yield: -48%

## Forward Outlook

**Bull Case:** The divergence between network growth and price creates accumulation opportunity. Corporate treasuries locked 5.5%+ of supply. Once blob demand catches supply, L1 value capture returns. Today's prices will look like a bargain.

**Bear Case:** Markets are efficient. The architecture now routes value to L2 operators, stablecoin issuers, and applications, not ETH holders. Growing usage without growing fees isn't undervaluation; it's the new equilibrium.

**The metrics tell two stories. The market hasn't decided which one to believe.**

2026's catalysts, staking ETF approvals, blob demand dynamics, L2 consolidation, and corporate treasury behavior, will likely prove decisive.

## Data Sources

**Price & Market:** CoinGecko, TradingView, CoinMarketCap | **Operating Performance:** Token Terminal, The DeFi Report | **Staking:** Beaconcha.in, CoinLaw | **DeFi:** DefiLlama, rwa.xyz | **ETFs:** CoinGlass, The Block, Glassnode | **Corporate:** Strategic ETH Reserve, PRNewswire | **L2:** L2BEAT, The Block

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