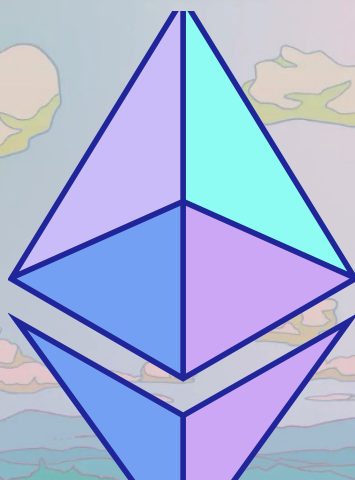


November 2025

# State of Ethereum Q3 2025

Network Growth Meets Market Reality



# Authors & Acknowledgements

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This report is a product of Teroxx Research, a research team within Teroxx, the leading provider of financial services in the digital assets, cryptocurrency, and blockchain technology sector. Teroxx Research provides top-tier market commentary, thematic views, tactical insights, and deep protocol research.

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# Executive Summary



# Executive Summary

As of November 12, 2025, Ethereum trades at \$3,450—up just +3.54% year-to-date. Despite reaching a new all-time high of ~\$4,950 in August, the subsequent 30% decline has returned ETH to essentially flat annual performance. For investors evaluating 2025, this represents a disappointing outcome regardless of quarterly volatility.

From that April bottom, ETH staged one of crypto's most dramatic recoveries: a 253% rally to \$4,946 by August 24, establishing a new all-time high above 2021's previous \$4,093 record. Yet this euphoric peak proved short-lived, as Q4's 30% retracement returned prices to year-start levels.

For perspective on 2025's extraordinary volatility:

- **Q1-Q2 Correction:** \$3,337 → \$1,400 (-58%) - Maximum despair, "ETH is dead" narratives
- **Q3 Rally:** \$1,400 → \$4,946 (+253%) - Explosive recovery, new ATH, institutional FOMO
- **Q4 Retracement:** \$4,946 → \$3,450 (-30%) (+3.54% YTD) - Return to starting point



Ethereum Price (YTD-2025)



Source: Yahoo Finance, Teroxx

This 253% peak-to-trough-to-peak swing within a single year rewarded nimble traders while punishing buy-and-hold investors, who endured twelve months of extreme emotional and financial stress to end up essentially flat. An investor who held from January 1 through November 12 earned +3.54%—dramatically underperforming cash, bonds, and most equity indices, despite experiencing drawdowns of -58% and briefly sitting on gains you of +48%.

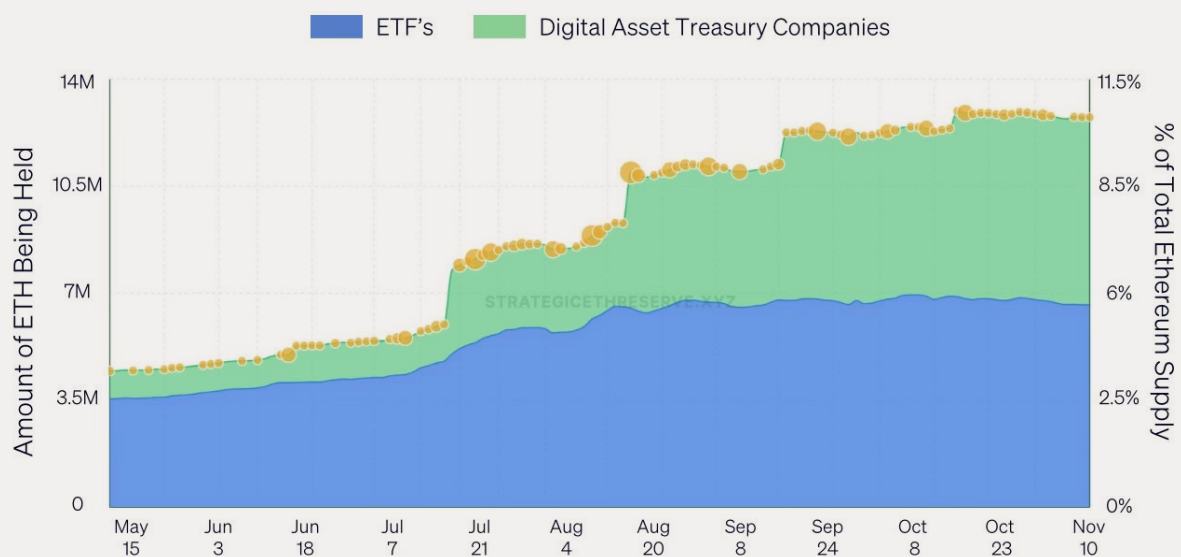
### Why Analyze Q3 When Annual Returns Disappoint?

A fair question for anyone evaluating this report: why focus on Q3 2025 when year-to-date returns sit at +3.54%? The answer lies in separating price movements from network developments:

- 1. Corporate Treasury Adoption:** Public companies accumulated 6.14M ETH (>5.0% of circulating supply<sup>1</sup>) from near-zero at year's start. Whether BitMine and SharpLink's strategies succeed remains uncertain, but they represent a new structural demand source.



#### Strategic ETH Reserve + ETF ETH Reserve - Historical Data



Source: StrategicETHReserve.XYZ, Terorxx

- 2. Stablecoin Growth:** Supply on Ethereum increased from \$112B (Jan 1) to \$167B (Nov 12)—up 49% YTD. October's \$2.82T monthly transaction volume was a record. This growth occurred independent of ETH's price action.

<sup>1</sup> Source: <https://www.strategicethreserve.xyz/>, Terorxx

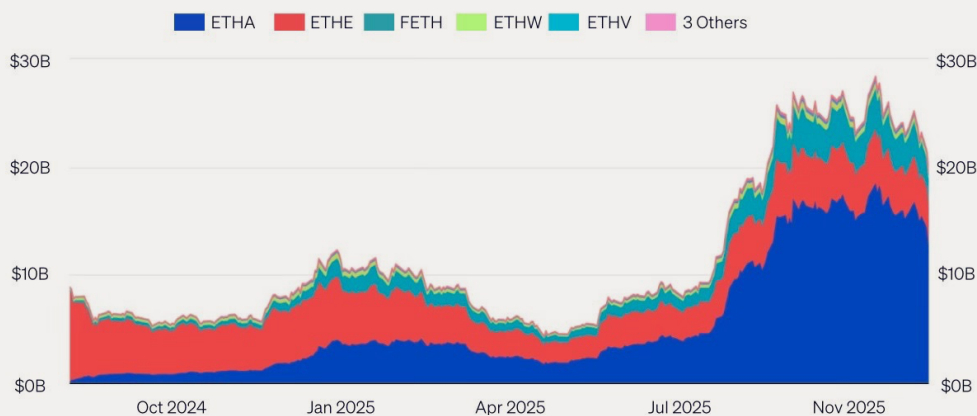
**3. Institutional Access:** Over the past 12 months, spot Ethereum ETFs grew from minimal adoption (~\$8-10B AUM in Nov 2024) to \$22 billion as of November 12 2025<sup>2</sup>. This represents ~\$10-12B in net new institutional capital despite significant volatility. Q3's surge to \$28B peak showed strong institutional appetite during the rally, though the subsequent decline to \$22B (-21.4%) suggests some capital was opportunistic rather than long-term conviction.

**Critically, on-chain ETF holdings measured in ETH remained stable at approximately 9.1-9.2 million ETH from October through early November 2025, despite ETH's 30% price decline from the August peak.**

This stability in unit holdings—while dollar-denominated AUM declined proportionally with price—demonstrates that ETF capital proved sticky rather than opportunistic. Institutional allocators did not liquidate positions during the correction, suggesting conviction in long-term exposure rather than tactical momentum trading. The decline in AUM from ~\$28B (October peak) to \$22B (Nov 12) reflects mark-to-market losses on retained positions, not only net outflows. This holding behavior contrasts sharply with typical ETF flows during corrections and represents a meaningful validation of institutional commitment to Ethereum allocation.



Spot Ethereum ETF AUM (Daily) (Oct2024-Nov2025)



Source: Trackinsight, The Block, Teroxx

**4. DeFi Activity:** TVL expanded from \$54B (early Q3) to peak of \$119B (Q3 end at \$4,200 ETH), declining to \$74.97B as of November 12, 2025<sup>3</sup>. The -37% TVL decline closely tracks ETH's -19% price drop (\$4,200 → \$3,388), confirming the movement is primarily price effects on locked capital rather than significant capital outflows.

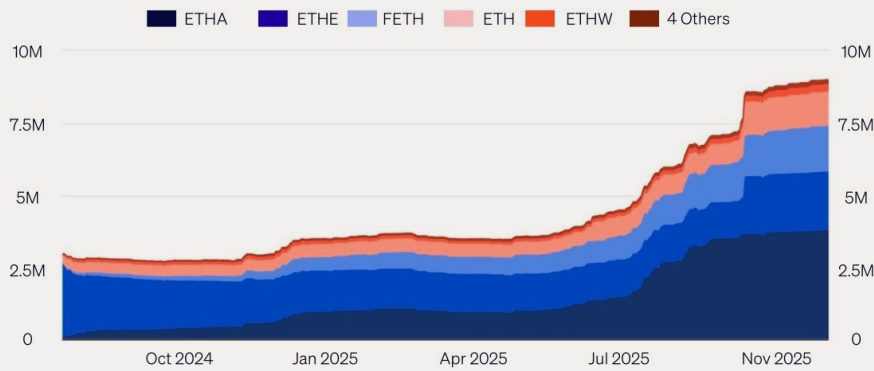
**Note:** DeFi TVL measures assets locked in protocols (lending, DEXs, derivatives); this is separate from total stablecoin supply (\$171B), which includes all stablecoins on Ethereum regardless of whether they're in DeFi protocols, wallets, or exchanges.

<sup>2</sup> Source: Blockworks ETF Tracker, Nov 6, 2025, Teroxx

<sup>3</sup> Source: DefiLlama API, Nov 6, 2025



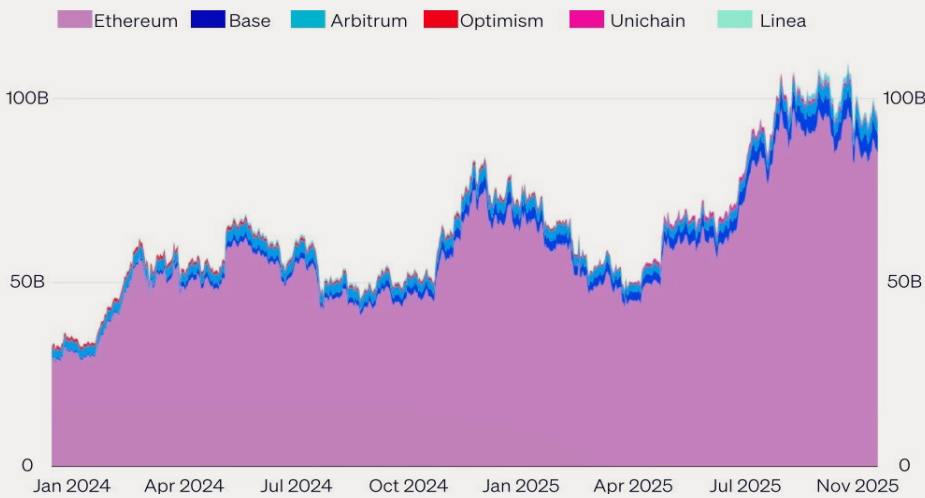
Spot Ethereum ETF On-Chain Holdings in ETH (Daily) (Oct2024-Nov2025)



Source: Trackinsight, The Block, Teroxx



Value Locked in Protocols (Jan 2024-Nov 2025)



Source: Dune Analytics / The DeFi Report ([https://dune.com/the\\_defi\\_report/the-eth-report](https://dune.com/the_defi_report/the-eth-report)), Teroxx

5. Network Staking:

- a. **Staked ETH increased from 33.8M ETH** (Jan 2025, representing 28.1% of supply), to **35.707M ETH** (representing 29.75% of supply)<sup>4</sup> — **+5.64% year-to-date growth** (+1.907M ETH absolute increase)
- b. Breaking this down: Q3 2025 contributed ~+0.7M ETH (+2.0% quarterly from June's 35M milestone), while growth has essentially plateaued in Q4
- c. This staked capital represents **\$120.6 billion in economic security** at current \$3,450 ETH price, distributed across **996,009 active validators** maintaining 98.1% network effectiveness

<sup>4</sup> Source: [DataWallet.com/Beaconcha.in](https://DataWallet.com/Beaconcha.in), Nov 6, 2025



### Ethereum: Total Value Staked (YTD-2025)



Source: CryptoQuant, Teroxx

These metrics improved while price went nowhere. Whether this represents accumulating fundamental value or irrelevant noise depends on one's analytical framework. Traditional equity investors might view growing usage with flat prices as undervaluation; crypto skeptics might view it as evidence that network metrics don't drive price.

## The Central Question

An investor who bought ETH on January 1, 2025 at \$3,337 and held through November 12 earned 3.54% —underperforming cash, bonds, and most equity indices. That same investor experienced a -58% drawdown to \$1,400 (requiring +139% just to break even), briefly enjoyed +48% gains at the August peak, then watched those gains evaporate.

**Nonetheless - they now own exposure to a network hosting significantly more stablecoins, DeFi activity, and corporate adoption than twelve months ago.**

**This creates two competing narratives:**

**Bullish interpretation:** Fundamentals improved materially while price went nowhere, suggesting (a current) undervaluation at \$3,370 relative to network development. The \$1,400 low and subsequent 253% recovery demonstrate ETH's resilience, while current prices offer attractive entry after the Q4 correction from euphoric August levels.

**Bearish interpretation:** Price correctly reflects that network metric growth doesn't translate to sustainable value accrual for ETH holders. The full-year round trip (\$3,337 → \$1,400 → \$4,946 → \$3,450) demonstrates excessive volatility without directional progress. The Q3 rally was speculative euphoria that current prices have appropriately corrected, while the -58% drawdown revealed fundamental fragility.

# Corporate Treasury Revolution

# Corporate Treasury Revolution

## The 6.14M ETH Phenomenon

This extreme volatility facilitated the corporate treasury accumulation, as companies like **BitMine** and **SharpLink** executed purchases across the \$1,400-\$4,500 range—a buying opportunity window that wouldn't have existed without the extreme Q1-Q2 capitulation. Average acquisition costs likely sit around \$2,500-\$3,000, leaving corporate holders profitable at current \$3,450.41 prices despite the year's turbulence.

Q3 2025 saw multiple public companies adopt ETH treasury strategies, with many accumulating aggressively during the \$1,400-\$2,500 range before the August rally. By November 12, 2025, the landscape had expanded dramatically beyond initial Q3 accumulation.

## Major Corporate Holders

**BitMine Immersion Technologies (NYSE: BMNR)**, backed by Peter Thiel's Founders Fund, Cathie Wood's ARK, and other crypto-native investors, became the dominant corporate holder with 3.40 million ETH<sup>5</sup>—having doubled holdings from 1.7M ETH in late August. This represents 2.95% of total ETH supply valued at over \$12 billion at current \$3,450.41 prices. The company became one of the top 20 most-traded US stocks with \$2.8-6.4 billion in daily volume, and continues pursuing its stated goal of controlling 5% of ETH supply (~6 million ETH)—currently 56% of the way to this target.

**SharpLink Gaming (NASDAQ: SBET)**, with Ethereum co-founder Joseph Lubin as chairman and former BlackRock digital asset executive Joseph Chalom as CEO, holds 859,853 ETH valued at \$2.96 billion<sup>6</sup>—having expanded from ~728K ETH during Q3. The company actively stakes substantially all holdings, generating 6,575+ ETH in rewards since June 2, 2025 (approximately \$22.6M at current prices, representing a 3% annualized yield).

## Additional major corporate holders<sup>7</sup>:

- The Ether Machine (ETHM): 496,710 ETH (\$1.68B)
- Bit Digital (BTBT): 150,240 ETH (\$509M)
- ETHZilla Corporation (ETHZ): 93,790 ETH (\$318M)
- Ethereum Foundation: 230,370 ETH (\$780M)

**Total Strategic ETH Reserve (SER) entities:** 6.25 million ETH across 70 participants, representing 5.17% of total ETH supply, valued at \$21.5 billion<sup>8</sup>.

<sup>5</sup> Source: [strategicethreserve.xyz](https://strategicethreserve.xyz), Nov 6, 2025

<sup>6</sup> Source: [strategicethreserve.xyz](https://strategicethreserve.xyz), Nov 6, 2025

<sup>7</sup> Source: [strategicethreserve.xyz](https://strategicethreserve.xyz), Nov 6, 2025

<sup>8</sup> Source: [strategicethreserve.xyz](https://strategicethreserve.xyz), Nov 6, 2025



## Performance Analysis

The 32% decline from August's \$4,946 peak to current \$3,370 has impacted treasury values significantly:

**BitMine (BMNR):** With an average cost basis of \$4,037 per ETH, currently holds over \$1.3B in unrealized losses at \$3,370 prices—approximately -16.5% underwater. Despite this, BitMine aggressively accumulated 1.7M ETH post-August, demonstrating continued conviction<sup>11</sup>.

**SharpLink (SBET):** Mixed performance depending on purchase timing. Early May-July acquisitions (\$2,572-\$2,852 average) show profits of +18-31%, while October purchases (\$3,892-\$4,462 average) are underwater by -13% to -24%<sup>12</sup>.

This bifurcated performance reveals that corporate treasuries who accumulated during Q2's \$1,400-\$2,500 capitulation are profitable, while those who chased the Q3 rally or bought the August peak are currently losing money—demonstrating the critical importance of entry timing even with long-term conviction.

### The Market's Verdict: Trading at Discount to NAV

The market's assessment of corporate treasury strategies has shifted dramatically since Q3's peak. BitMine, the largest corporate ETH holder, now trades at a 9.6% discount to net asset value—a striking reversal from August's 2.3x premium.

#### BitMine NAV Analysis (November 11, 2025)<sup>13</sup>:

Holdings: 3.51M ETH + 192 BTC + \$398M cash + \$61M other = \$12.96B total NAV

Market Cap: \$11.72B (284.74M shares × \$41.15/share)

mNAV Multiple: 0.904x (9.6% discount)

NAV per share: \$45.50 vs. stock price \$41.15

This discount means investors can buy \$1.00 of crypto assets for \$0.90 through BMNR stock—a dramatic shift from paying \$2.30 for \$1.00 of assets just three months ago. The premium collapse reflects market skepticism about the treasury model: BitMine's \$4,037 average cost basis versus current \$3,560 ETH prices results in -11.8% unrealized losses, raising questions about whether aggressive dilutive capital raises justified by "ETH will go up" assumptions can sustain shareholder value during sideways or declining markets.

The discount also suggests investors are pricing in execution risks: ongoing dilution from continuous share issuances, management fees, operational costs, and the inherent leverage that amplifies losses during corrections. What worked brilliantly during Q3's rally (2.3x premium rewarded believers) now punishes holders during Q4's retracement (9.6% discount reflects doubt).

<sup>11</sup> Source: BitMine cost basis from company disclosures (November 2025)

<sup>12</sup> Source: SharpLink cost basis from SEC 8-K filings (July, October 2025)

<sup>13</sup> Sources: BitMine press release (November 10, 2025); Yahoo Finance market data (November 11, 2025), Terorxx



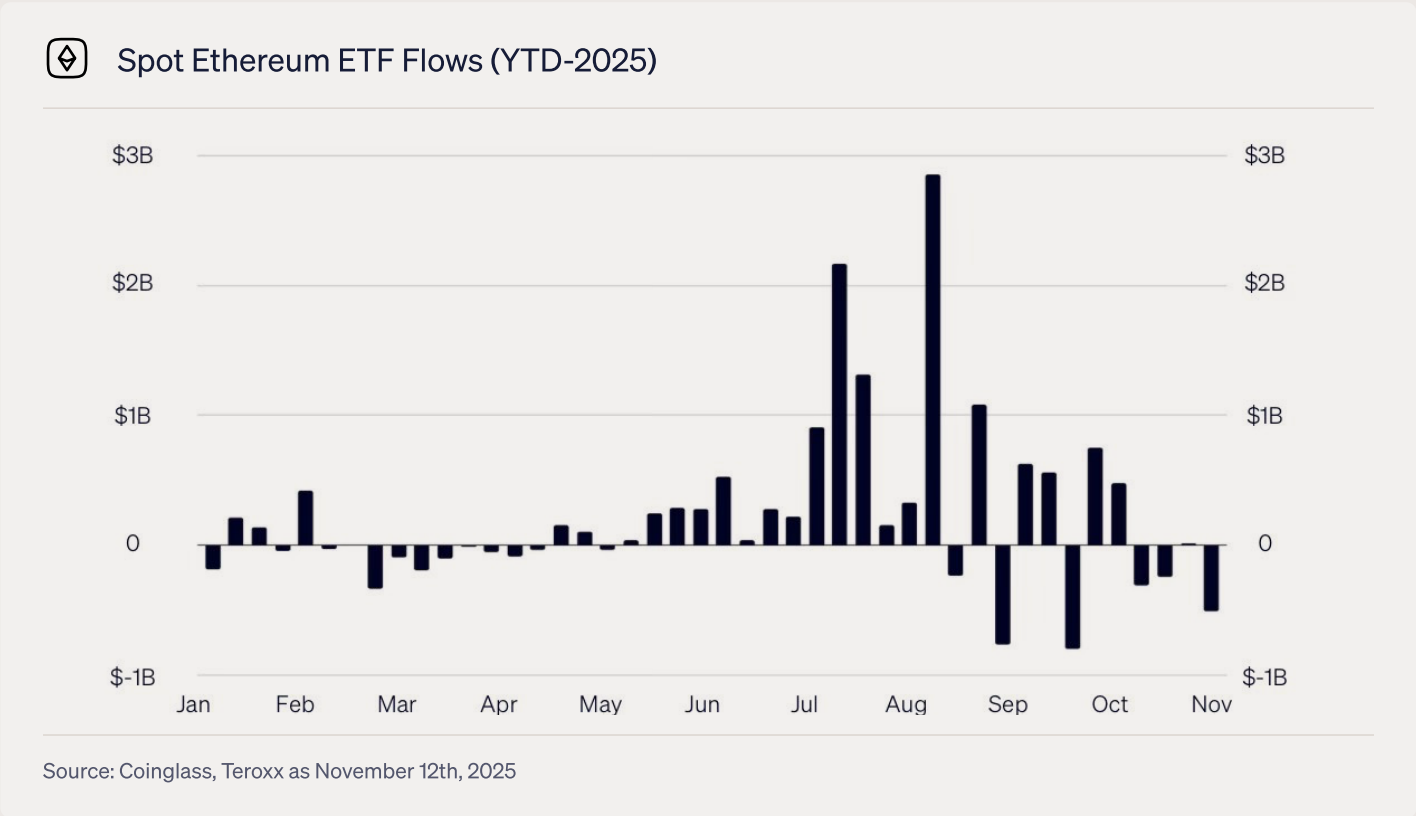
## The Capital Raising Model

**These companies fund ETH purchases by selling new shares to investors.** This model requires understanding:

- For example, SharpLink issued 40%+ new shares during Q3—meaning if you owned 10% of the company in June, you now own only 6% after dilution. This strategy only benefits shareholders if ETH's price appreciation exceeds the dilution rate.
- If ETH rises 50% but your ownership drops 40%, you still gain 10%. But if ETH rises only 20% while ownership drops 40%, you lose value despite ETH going up. **This creates pressure for continuous ETH appreciation to justify the model.**

# Institutional Adoption

# Institutional Adoption



Spot Ethereum ETFs saw significant inflows during Q3 after a slow first year, with the month of July recording a total net inflow of cumulative \$4.6 billion<sup>9</sup>. Total AUM reached approximately \$22 billion by early November 2025<sup>10</sup>.

BlackRock's ETHA crossed \$10 billion by late July<sup>11</sup>, growing to \$17.1 billion by September 2025<sup>12</sup>. Grayscale's ETHE held \$3.5 billion and Fidelity's FETH accumulated \$2.9 billion in total inflows by mid-September. The ETF group recorded 15+ consecutive days of net inflows during peak July periods.

These inflows coincided with Q3's price rally from \$1,400-area lows and moderated significantly in September-October as ETH declined from the August peak.

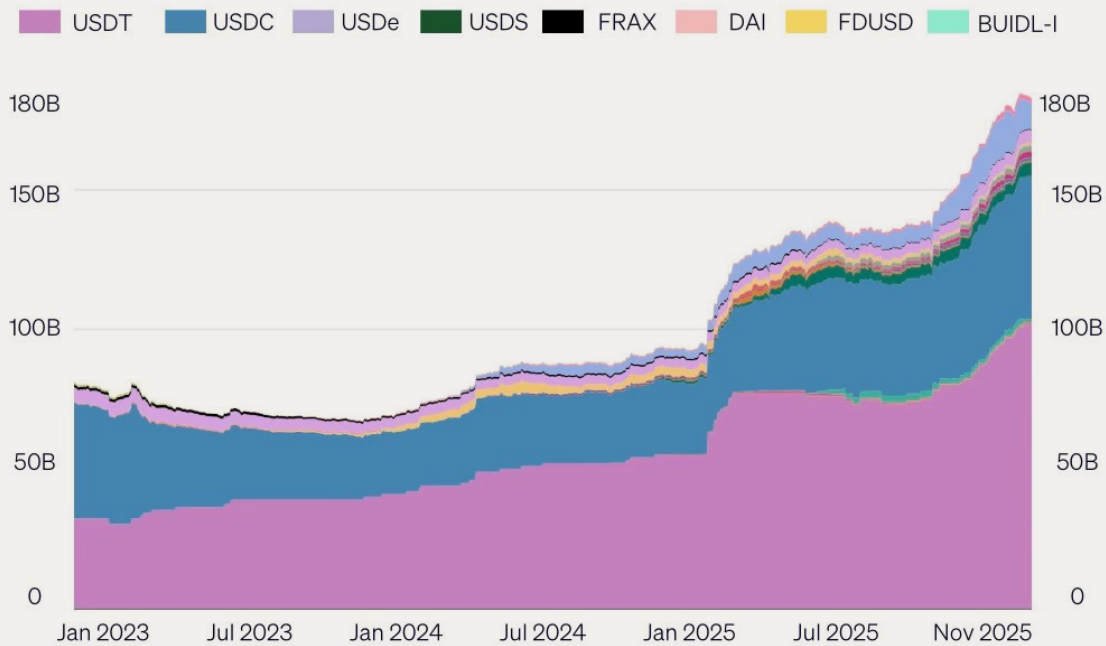
Whether ETF adoption continues at Q3's pace or returns to earlier sluggish levels will determine if this represents sustained institutional interest or opportunistic trading during a price rally.

<sup>9</sup> Source: CoinDesk, July 24, 2025  
<sup>10</sup> Source: CryptoNews ETF tracker, Oct 2025  
<sup>11</sup> Source: CoinDesk, July 24, 2025  
<sup>12</sup> Source: CryptoNews ETF tracker, Oct 2025

# The Stablecoin Economy

# The Stablecoin Economy

## Ethereum Stablecoin Supply (Jan 2023 - Nov 2025)



Source: Dune Analytics / The DeFi Report ([https://dune.com/the\\_defi\\_report/the-eth-report](https://dune.com/the_defi_report/the-eth-report)), Terorxx

## Ethereum's \$168B Payments Infrastructure

Stablecoin supply on Ethereum demonstrated remarkable resilience throughout 2025's volatility, representing perhaps the strongest fundamental signal of the year. While ETH price returned to (+2.89% YTD), stablecoin adoption accelerated consistently—demonstrating genuine utility value independent of speculative positioning.

## Growth Through Market Volatility

### Supply Timeline:

- January 1, 2025: \$123B
- April-May (\$1,400 low): ~\$130B ← Increased during capitulation
- September 30, 2025: \$157.6B
- November 6, 2025: \$168B (Source: DefiLlama Stablecoins API)
- YTD Growth: +\$44.8B (+36.4%)

**Critical Insight:** Stablecoin supply increased during the April-May \$1,400 capitulation when ETH declined -58%. This demonstrates that users maintained confidence in Ethereum's infrastructure even as ETH price collapsed. Businesses and individuals continued choosing Ethereum for payments and settlements despite extreme market stress—validating the network's core utility proposition.

**Record Transaction Volume:** \$2.82 Trillion in October

October 2025 established a new milestone: \$2.82 trillion in stablecoin transaction volume on Ethereum—a 45% increase from September's \$1.94 trillion (Source: Multiple reports citing Artemis Analytics data, Oct 2025).

**Breakdown by Asset:**

- USDC: \$1.62 trillion (58% of volume)
- USDT: \$895.5 billion (32% of volume)
- Other stablecoins: \$305 billion (10% of volume)

This \$2.82T monthly figure represents approximately \$91 billion per day in stablecoin settlements on Ethereum—exceeding many traditional payment networks in daily throughput. For context, Visa processes roughly \$25-30B daily in global card volume.

Revenue & Economic Impact

Stablecoin-related activity generated 65-70% of daily protocol revenue during Q3 2025, surpassing exchanges, lending platforms, and NFT marketplaces combined. This dominance reflects:

1. Payments & Settlements: Cross-border transfers, merchant payments, peer-to-peer transactions
2. DeFi Collateral: Stablecoins as base assets for lending, borrowing, and derivatives
3. Treasury Operations: Corporate and institutional use of USDC/USDT for treasury management
4. Exchange Operations: Trading pairs, margin collateral, and liquidity provisioning

What Stablecoin Growth Reveals

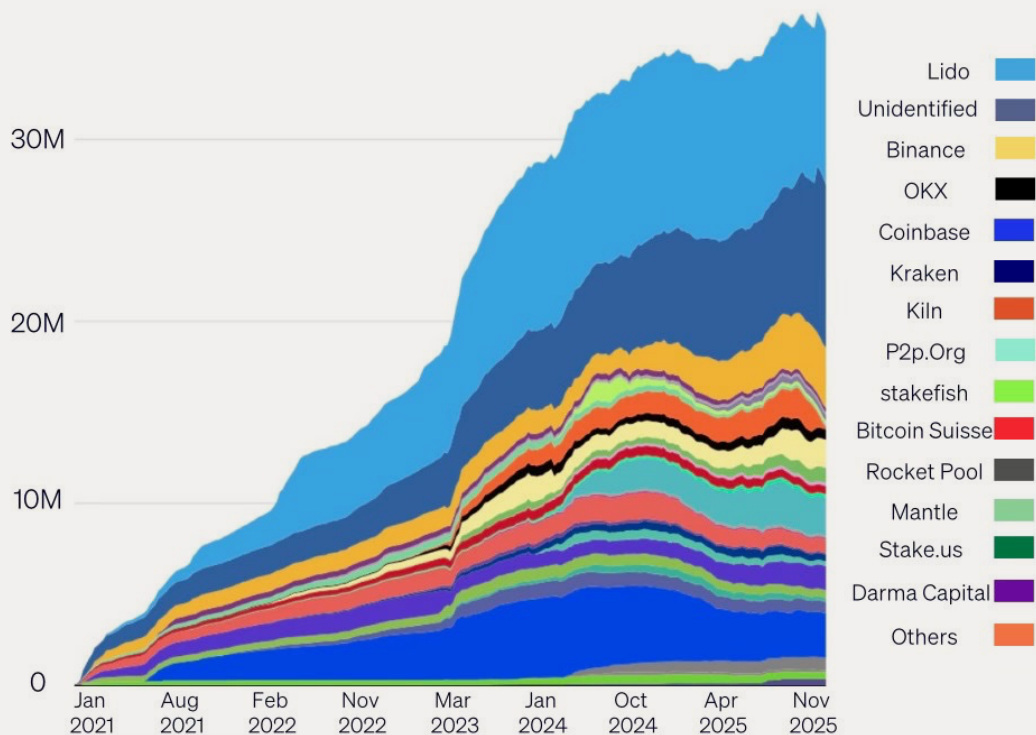
The 36.4% YTD growth in stablecoin supply—while ETH price went nowhere—represents a fundamental divergence that demands interpretation:

Bull Case:	Bear Case:	The Reality:
Ethereum won the "monetary layer of the internet" competition. Businesses and users chose Ethereum as their settlement layer despite alternatives (Solana, Tron, etc.). This is sticky, recurring demand that should eventually translate to ETH value capture through transaction fees and network effects.	Stablecoin growth benefits stablecoin issuers (Circle, Tether) and users, but doesn't necessarily drive ETH demand or price appreciation. L2 scaling success means stablecoin transactions pay minimal fees to L1, reducing burn and value accrual to ETH holders. Alternative L1s can replicate this functionality.	Ethereum hosts 60-65% of global stablecoin supply (\$168B of ~\$260B total), establishing clear network effects and infrastructure dominance. Whether this translates to ETH appreciation remains the central question for investors evaluating the network's investment thesis.

# Network Fundamentals & Activity Metrics

# Network Fundamentals & Activity Metrics

ETH Staked by Entity (Jan 2021 - Nov 2025)



Source: Dune Analytics / The DeFi Report ([https://dune.com/the\\_defi\\_report/the-eth-report](https://dune.com/the_defi_report/the-eth-report)), Terorxx

## Staking Growth: 35.7M ETH

Network staking demonstrated strong conviction throughout 2025's volatility:

### Staking Timeline:

- January 1, 2025: 33.8M ETH (28.1% of supply) - \$113B economic security
- April-May (\$1,400 low): 34.2M ETH (28.4%) - \$48B economic security ← Continued growing
- September 30, 2025: 35.7M ETH (29.75%) - \$150B economic security
- November 6, 2025: 35.707M ETH (29.75%) - \$120.6B economic security
- YTD Growth: +1.907M ETH (+5.64%)



**Network Security:**

- Active Validators: 996,009
- Network Effectiveness: 98.09%
- Staking Yield: 3.0-3.3% APY
- Daily Rewards: ~2,800-3,000 ETH distributed network-wide

**Critical Insight:** Staking increased by 400,000 ETH during the -58% drawdown to \$1,400, demonstrating validator conviction independent of price action. When ETH hit \$1,400, the same ~34M ETH staked represented just ~\$48B in economic security, yet the network remained secure and validators continued depositing.

**DeFi Total Value Locked (TVL):**

- January 1, 2025: \$65.4B
- April 9, 2025 (low): \$43.2B (capitulation low)
- August 24, 2025 (peak): \$97.5B (at \$4,946 ETH)
- November 6, 2025: \$75.0B (Source: DefiLlama TVL API)
- YTD Growth: +14.7%

The -23% TVL decline from peak closely tracks ETH's -32% price drop, confirming the movement is primarily price effects on locked capital rather than significant capital outflows.

**Layer 2 Scaling Progress:**

Following the May 2025 Pectra upgrade, L2s processed 11-12x more transactions than Ethereum mainnet:

- Base: 58% of L2 transaction volume, \$3.4B TVL
- Transaction Costs: \$0.04-0.09 on major L2s (99% cheaper than mainnet)
- User Activity: 60-70% of ecosystem daily active addresses on L2s

The 80-99% cost reductions from March 2024's Dencun upgrade continued through Q3, with Pectra's doubled blob capacity pushing costs lower, enabling consumer applications (social, gaming, payments).

**Supply Dynamics:**

Q3 2025 remained modestly inflationary as issuance exceeded burn:

- Total Issuance: 170,500 ETH
- Total Burned: 152,000 ETH
- Net Inflation: +18,500 ETH for the quarter

This reflects L2 scaling success in moving activity off mainnet—a positive development for user experience despite the supply implications. The slight inflation is by design in Ethereum's economic model.

# Key Metrics Dashboards

# Key Metrics Dashboards



## Ethereum Key Metrics Overview

Metrics	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	YoY Change %	QoQ Change %
FINANCIAL								
ETH Price (USD)	\$3,435	\$2,597	\$3,337	\$1,824	\$2,488	\$4,144	59.6%	66.6%
Circulating Supply	119.7 m	120.0 m	120.1 m	120.3 m	120.5 m	108.9 m	-9.2%	-9.7%
Circulating Market Cap. (USD)	\$ 412.7 bn	\$ 312.6 bn	\$ 402.0 bn	\$ 219.9 bn	\$ 300.4 bn	\$ 500.2 bn	60.0%	66.5%
Market Cap Dominance	17.4%	13.0%	11.8%	8.0%	8.7%	12.4%	-4.1%	43.3%
NETWORK								
Avg Daily Active Addresses	411.9 k	360.1 k	400.8 k	399.9 k	414.4 k	516.0 k	43.3%	24.5%
Avg Daily Transactions	1.175 m	1.123 m	1.218 m	1.226 m	1.331 m	1.601 m	42.6%	20.4%
Avg Gas Price (Gwei)	4,556	2,497	4,781	1,943	823	848	-66.0%	3.1%
Total Staked (USD)	\$ 114.5 bn	\$ 90.1 bn	\$ 114.3 bn	\$ 62.8 bn	\$ 88.4 bn	\$ 149.5 bn	65.9%	69.1%
Total Staked (ETH)	33.3 m	34.7 m	34.3 m	34.4 m	35.5 m	36.1 m	4.0%	1.5%
Share of Staked ETH (%)	27.8%	28.9%	28.5%	28.6%	29.5%	33.1%	14.5%	12.4%
L1 TVL (USD)	\$ 54.9 bn	\$ 48.6 bn	\$ 65.7 bn	\$ 46.9 bn	\$ 62.4 bn	\$ 88.9 bn	83.0%	42.6%
L2 TVL (USD)	\$ 6.7 bn	\$ 7.1 bn	\$ 8.3 bn	\$ 6.3 bn	\$ 7.6 bn	\$ 9.9 bn	39.1%	29.4%
Total TVL (USD)	\$ 61.6 bn	\$ 55.7 bn	\$ 74.0 bn	\$ 53.2 bn	\$ 70.0 bn	\$ 98.8 bn	77.4%	41.1%
L2 Market Share (TVL %)	10.8%	12.7%	11.2%	11.9%	10.9%	10.0%	-21.6%	-8.3%
L1 Transaction Volume	106.9 m	103.3 m	112.1 m	109.0 m	121.1 m	147.3 m	42.6%	21.7%
L2 Transaction Volume	931.4 m	967.2 m	1262.9 m	1336.3 m	1383.0 m	1656.9 m	71.3%	19.8%
Total Transaction Volume	1038.3 m	1070.5 m	1375.0 m	1445.4 m	1504.1 m	1804.2 m	68.5%	20.0%
Total Crypto Market Cap	\$ 2370 bn	\$ 2411 bn	\$ 3394 bn	\$ 2762 bn	\$ 3461 bn	\$ 4023 bn	43.6%	25.3%

Source: Artemis Terminal, Teroxx as of November 12th 2025



## Network Analysis

Metrics	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	YoY Change %	QoQ Change %
CORE NETWORK STATS								
Daily Active Addresses	411.9 k	360.1 k	400.8 k	399.9 k	414.4 k	516.0 k	43.3%	24.5%
Total Active Addresses	37.5 m	33.1 m	36.9 m	36.0 m	37.7 m	47.5 m	43.3%	25.9%
Daily Transactions	1.175 m	1.123 m	1.218 m	1.226 m	1.331 m	1.601 m	42.6%	20.4%
Total Transactions	106.9 m	103.3 m	112.1 m	110.4 m	121.1 m	147.3 m	42.6%	21.7%
ECONOMIC & NETWORK METRICS								
Avg Daily Transaction Fee	\$4.61	\$2.53	\$4.92	\$2.00	\$0.85	\$0.85	-66.3%	-0.2%
Daily Fees Per User	\$25.09	\$8.24	\$14.03	\$23.43	\$2.01	\$2.34	-71.6%	16.6%
Daily Total Network Fees	\$ 5.4 m	\$ 2.8 m	\$ 6.0 m	\$ 2.5 m	\$ 1.1 m	\$ 1.4 m	-52.0%	20.1%
Total Transaction Fees	\$ 493.0 m	\$ 261.2 m	\$ 552.1 m	\$ 220.8 m	\$ 103.3 m	\$ 125.4 m	-52.0%	21.4%
STAKING								
Total Staked (USD)	\$ 114.5 bn	\$ 90.1 bn	\$ 114.3 bn	\$ 62.8 bn	\$ 88.4 bn	\$ 149.5 bn	65.9%	69.1%
Total Staked (ETH)	33.3 m	34.7 m	34.3 m	34.4 m	35.5 m	\$ 36.1 bn	4.0%	1.5%
Share of Staked ETH (%)	27.8%	28.9%	28.5%	28.6%	29.5%	33.1%	14.5%	12.4%
NETWORK HEALTH RATIOS								
Transactions per Address	2.85	3.12	3.04	3.07	3.21	3.10	-0.5%	-3.3%
Total Crypto Market Cap	\$ 2370 bn	\$ 2411 bn	\$ 3394 bn	\$ 2762 bn	\$ 3461 bn	\$ 4023 bn	66.9%	16.2%

Source: Artemis Terminal, Teroxx as of November 12th 2025

# Conclusion

# Conclusion

## What Q3 2025 Revealed

Q3 2025 represented a complex and contradictory chapter in Ethereum's evolution—extraordinary network growth paired with ultimately flat price performance, raising fundamental questions about value accrual.

### The data shows unambiguous network expansion:

Stablecoins: \$123B → \$168B (+36.4%)

Corporate Treasuries: Near-zero → 6.14M ETH (\$20.79B), entirely new capital category

ETF Assets: \$8-10B → \$30.57B peak (now \$20.82B), substantial institutional capital

DeFi TVL: \$65.37B → \$74.97B (+14.7% YTD)

Staking: 33.8M → 35.707M ETH (+5.6%)

L2 Adoption: 60-70% of ecosystem activity, \$0.04-0.09 transaction costs

Yet ETH price: \$3,337 → \$3,450 (+3.6%)

## The Q3 Paradox

This disconnect—growing network usage, flat price—represents Q3's central puzzle:

**Bull Interpretation:** Network fundamentals strengthened dramatically. Corporate treasuries accumulated 6.14M ETH (5.07% of supply), removing it from circulation. Stablecoins grew \$44.77B, demonstrating genuine utility. ETFs absorbed substantial institutional capital. These are lagging indicators; price will eventually follow.

**Bear Interpretation:** Price is the ultimate truth mechanism. Markets see all available data and concluded ETH is fairly valued at \$3,450.41 despite metric improvements. The metrics don't drive value accrual—they're correlated but not causal. Alternatively, negative factors (L2 fee reduction causing inflation, competition, macro headwinds) offset fundamental improvements.

## Q3 2025's Defining Narratives

- 1. The \$1,400 Bottom:** April-May's -58% capitulation tested conviction. Corporate treasuries and sophisticated investors bought heavily (\$1,400-\$2,500 range), while institutions largely waited for confirmation (\$3,000+). This timing difference separated winners from laggards.
- 2. Corporate Treasury Emergence:** BitMine, SharpLink, and 68 other entities now hold 6.14M ETH. This MicroStrategy-inspired playbook brought new capital and legitimacy but concentrated holdings in US-regulated entities.

3. **ETF Institutionalization:** July's \$9.74B inflows validated institutional appetite, but also showed institutions are momentum-chasers not contrarian accumulators. Current \$19.90B AUM represents progress but below euphoric expectations.
4. **Stablecoin Dominance:** \$168B on-chain, \$2.8T October transaction volume demonstrates Ethereum won the "monetary layer of the internet" narrative. This growth persisted through the \$1,400 capitulation, suggesting structural adoption independent of speculation.
5. **L2 Scaling Success:** Base, Arbitrum, and Optimism proved L2s can deliver sub-\$0.10 transactions at scale. However, this success reduced mainnet fee burn, creating slight inflation—a tradeoff between usability and tokenomics.

## Forward Outlook

**Post-Q3, Ethereum faces several potential paths:**

**Scenario 1 - Accumulation:** Current \$3,450 represents undervaluation. Corporate treasuries continue accumulating, staking-enabled ETFs launch and absorb \$10-20B additional capital, stablecoin growth continues, and ETH reprices to \$5-7K+ within 12-24 months.

**Scenario 2 - Range-Bound:** ETH trades \$2,500-\$4,500 for extended periods. Network metrics grow modestly, but macro factors (interest rates, Bitcoin dominance, L1 competition) prevent breakout. Value accrues very slowly to holders.

**Scenario 3 - Deceleration:** Corporate treasury phenomenon was cycle-specific. ETF growth stalls. Alternative L1s capture market share. ETH gradually declines toward \$2,000-2,500 despite continued network usage.

## Final Assessment

Q3 2025 demonstrated that Ethereum successfully transitioned from experimental technology to institutional infrastructure. The network hosted \$168B in stablecoins, secured \$20.8B in corporate treasuries, absorbed substantial ETF capital, and processed hundreds of millions of transactions across L1 and L2s.

Whether this infrastructure status translates to appreciation for ETH holders remains the defining question. Q3 produced more questions than answers, suggesting Ethereum's evolution is ongoing rather than resolved.

The full-year +3.5% return represents either:

1. Temporary market inefficiency that will correct upward
2. Appropriate pricing given inflation and opportunity cost
3. Forward-looking markets pricing in challenges not yet apparent in metrics

Investors must determine which interpretation aligns with reality. Q3 2025 provided extensive data but no definitive conclusion about Ethereum's investment thesis. The next 12-24 months will likely prove more determinative than Q3's volatility.

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