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To Meme or Not to Meme?

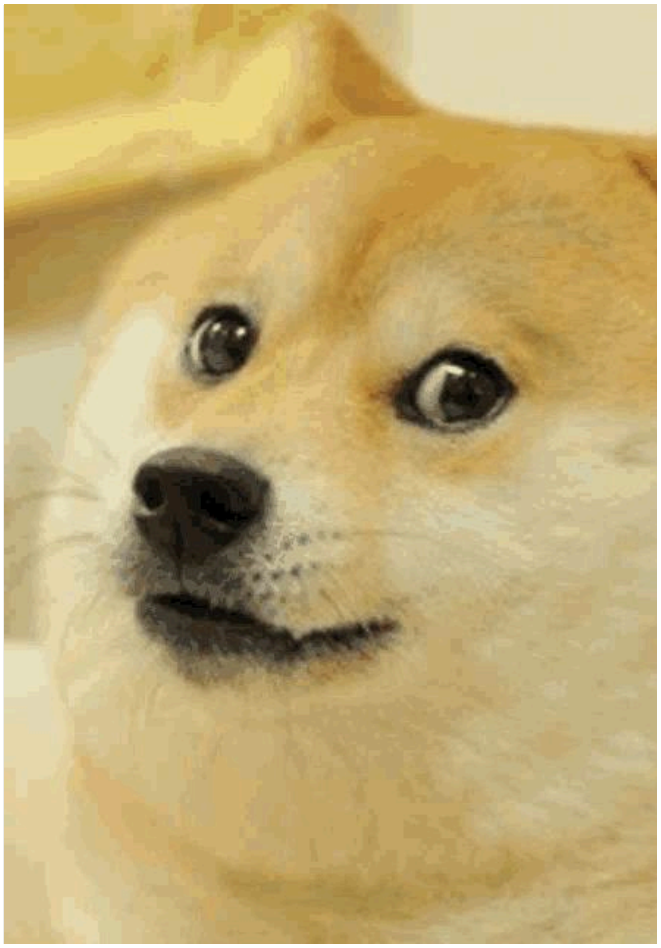


What Is A Memecoin?

Before we dive into the nuts and bolts, it's important to quickly refresh ourselves on the fundamentals of a memecoin.

These digital assets are cryptocurrency tokens inspired by internet and meme culture – think Pepe the Frog, Doge (much wow!) or the ever-hilarious concept of human flatulence (looking at you, Fartcoin).

Core to memecoins is their typical lack of utility. While projects such as Bitcoin and Ethereum propose theoretical solutions to certain issues, memecoins tend to proudly flaunt their absence of a use case. Instead, these assets may reflect a cultural movement and can ebb and flow depending on the social popularity of a meme or figure, adding a high level of volatility and risk.



The Shiba Inu the started the much wow meme

The History Of Memecoins

Memecoins came to be in the early 2010s with the creation of Dogecoin. Developed by Billy Markus and Jackson Palmer, DOGE was intended as a spoof of Bitcoin, offering no intrinsic value outside of occasionally acting as a 'community coin' shared across image boards like Reddit and 4chan.

However, the popularity of memes in this internet era bled into Dogecoin, with the digital asset seeing 24h trading volumes over $1 million AUD within a year of being launched – at a time when the blockchain industry was very much in its infancy.

Much has changed since Palmer and Markus wiped their hands clean of Dogecoin in 2015.

The advent of memecoin launchpads opened the floodgates, allowing just about anyone with an internet connection to create their own cryptocurrency. Now, hundreds of thousands of memecoins based on...just about everything are floating listlessly through the DeFi ecosystem.

We've seen memecoins hit the top 10 digital assets by market cap, celebrities launch exclusive tokens, and the president of the world's largest economy create his own project (more on this shortly).



BTC price history and memecoin launches

The Downward Slope

At the peak of its powers in 2024, the memecoin sub-sector had a market cap of over $130 billion USD. Since then, the category has been on a steady decline. At the time of writing, memecoin market capitalisation is down more than 70% since this all-time high.

There are several reasons for the downtrodden performance of these assets over the last 18 months. To dig deeper, we must investigate the context that informed the memecoin rush of late 2024.

It's little coincidence that the all-time high market cap of memecoins came around the same time Donald Trump was sworn in as President. The US leader's push for the White House involved a sharp focus on the digital assets industry, including the introduction of a Strategic Bitcoin Reserve and clearer regulations governing the sector.

Perhaps most relevant, though, was the release of his very own cryptocurrency: TRUMP. This digital asset, spouting some utility (such as access to exclusive events), was one of the most-traded cryptocurrency launches in history. Within a day, TRUMP's market cap was reported at nearly $30 billion USD, and the coin's overnight popularity made headlines across mainstream media.



One of several local news articles covering the Trump coin launch. Sourced from the ABC.

In about 48 hours, TRUMP had surged 750%, and, as investors looked for opportunities across other potentially risky projects, memecoin market cap hit its all-time high.

Such was the noise around the project that it became a dinner-table topic among those who both loved and hated the US President; among those who had never heard of crypto other than 'that Bitcoin one.'

However, the volatility of memecoins quickly reared its head. Barely a week later TRUMP halved in price, as billions in liquidity was pulled within a matter of hours. The sharp, structured decline had some consumers questioning the project's legitimacy, with allegations of insider trading coming from both inside and outside the crypto industry. At the time of writing, TRUMP is down 95% from its peak.

The steep, near-instant drop in Trump token's price was a watershed moment for the memecoin sector. Let's be clear – price drops of this nature are not exclusive to memecoins. But TRUMP's case was more noteworthy than most. Never had such a high-profile, politically-themed digital asset captured so much of the public's eye. And as half the world watched it plummet, those who scoffed at crypto felt validated, while newcomers who wanted to give it a chance may have felt betrayed.

For context, according to Chainalysis, 50% of Solana wallets holding TRUMP (or its sister coin, MELANIA) were created the day before purchasing one of these assets.

This suggests the Trump token saga invited a wave of investors who had either never, or only very loosely, engaged with the crypto sector. Most experienced losses (about 80% of investors ended up underwater) and it appears that trust in crypto from retail buyers has been impacted ever since.



https://x.com/chainalysis/status/1882211312681251120

Is There A Road To Recovery?

The crypto ecosystem has evolved substantially over the past few years; regulation, institutional adoption and macroeconomic conditions have appeared to be greater drivers of price action than in previous cycles.

So, without retail investors returning to the industry, it is quite possible that memecoins will continue struggling, even if Bitcoin or Ethereum reclaim previous all-time highs. This was demonstrated in the latter half of 2025, when BTC and ETH hit peak prices while memecoin market cap was down ~50% from its ATH.

But even if retail does regain confidence, has institutional involvement shifted what investors are looking for in a memecoin?

A key to regaining the trust of outsiders may be the introduction of spot ETFs. Cryptocurrencies delivered through a regulated medium (traditional exchanges) adds a level of familiarity to the asset class, even if the underlying volatility and risk remains.

November 2025 saw the introduction of Dogecoin ETFs available on the stock market – and more memecoin products in this mould could result in a slight uptick in retail sentiment. A handful of other higher-cap meme tokens (such as PEPE, SHIB and MOG) currently have ETF filings sitting with the SEC. Potential approval in the coming months may give the category some footing for investor interest.

Another potential direction for memecoins to take is to pivot toward 'all-encompassing' brand ecosystems.

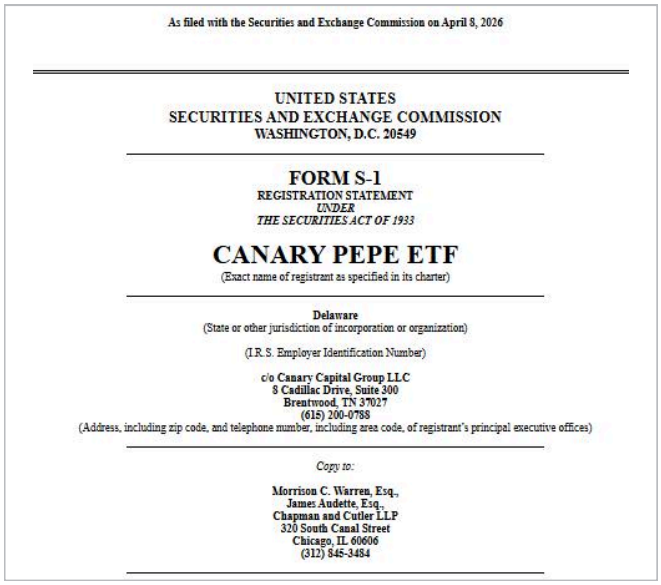
Perhaps the biggest success story here is Pudgy Penguins, an NFT collection that has blossomed into a line of plushies, clothing merchandise and an online game reminiscent of Club Penguin.

While this has done little to spur price movement of the project's native token, PENGU (down ~85% from its peak), the brand itself likely has more staying power than most other memecoins.

Other projects have followed in Pudgy's footsteps, with Floki University offering Web3 education, Shiba Inu hosting a native DEX and Book of Meme creating a database of popular memes.

This evolution may not have any bearing on memecoin price action, and strong volatility and risk will remain a core feature of this asset class regardless.

However, it does offer a pathway for memecoins to potentially divert from their polarising status quo, possibly giving them more of a structural purpose within the ever-shifting blockchain universe.



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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CANARY PEPE ETF
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

c/o Canary Capital Group LLC
8 Cadillac Drive, Suite 300
Brentwood, TN 37027
(615) 200-0788
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Canary Capital has filed for the first ever Pepe spot ETF. Source