



Can Sui Repeat *Solana's* *Appreciation Arc?*



Despite seasonal price pullbacks, Bitcoin's digital scarcity narrative has successfully raised the tide of the entire cryptocurrency sector. Ethereum (ETH) was the first to attach itself to this tide as the general-purpose blockchain with the potential to recreate the financial ecosystem in the form of smart contracts.

Later on, in March 2020, Solana (SOL) launched as a more streamlined take on the same mission, offering superior transaction times. Avalanche (AVAX) joined this blockchain infrastructure party in September the same year, around the same time as Binance Smart Chain (BSC).

Not accounting for various layer 2 scaling solutions for Ethereum, or specialised stablecoin chains like Tron, just three networks – Ethereum, Solana and BSC – account for 71% of total value locked (TVL) across hundreds of decentralized applications (dApps).

So when an L1 captures the market, it can really capture the market.

Having exposure to infrastructure coins has long been a popular play, especially in times of extreme fear. It's worth remembering that the SOL price collapsed below \$10 USD following the FTX fiasco, only to maintain a foothold above \$100 ever since early 2024.

So, the question is, can the same Solana-like arc be expected of the newcomer, Sui?

The Sui Hype Examined

As another variant of the proof-of-stake (PoS) blockchain approach, Sui's mainnet launched in early May 2023. Key to the project's launch were several team members from the now-defunct Diem/Libra payment blockchain, built for Meta.

Sui utilises the same coding language these developers intended for the Meta project: Move. The programming language defines assets as 'resources', which prevents them from being copied or binned. Data can only be, well, Moved.

In plain terms, this means that Sui's chain is focused on ultra-fast and parallel execution of smart contracts.

The goal is clear – Sui is building for applications that need unlimited scalability, near-instant transactions and frictionless fees. This covers a wide variety of uses, from blockchain gaming and high-frequency DEX trading to high-volume scanning, micropayments, settlement automation, global remittances and real-time traceability.

Sui's hype rests on the architecture of super-scaling, backed by developers once tasked by Mark Zuckerberg to build a frictionless money layer for Facebook's billions of users.

How Does Sui Blockchain Work?

Sui's main concern is achieving low latency, speed and efficiency.

To achieve those features Sui tracks objects –small pieces of data. If two transactions touch different 'objects', Sui processes them in parallel. One could think of it as a supermarket with many checkout lanes, but checkout lanes keep opening as more people line up.

To tune the analogy further, unlike most chains that force all customers into one lane, such as single-ordered mempool, Sui enables customers to use any lane that isn't busy with the same item.

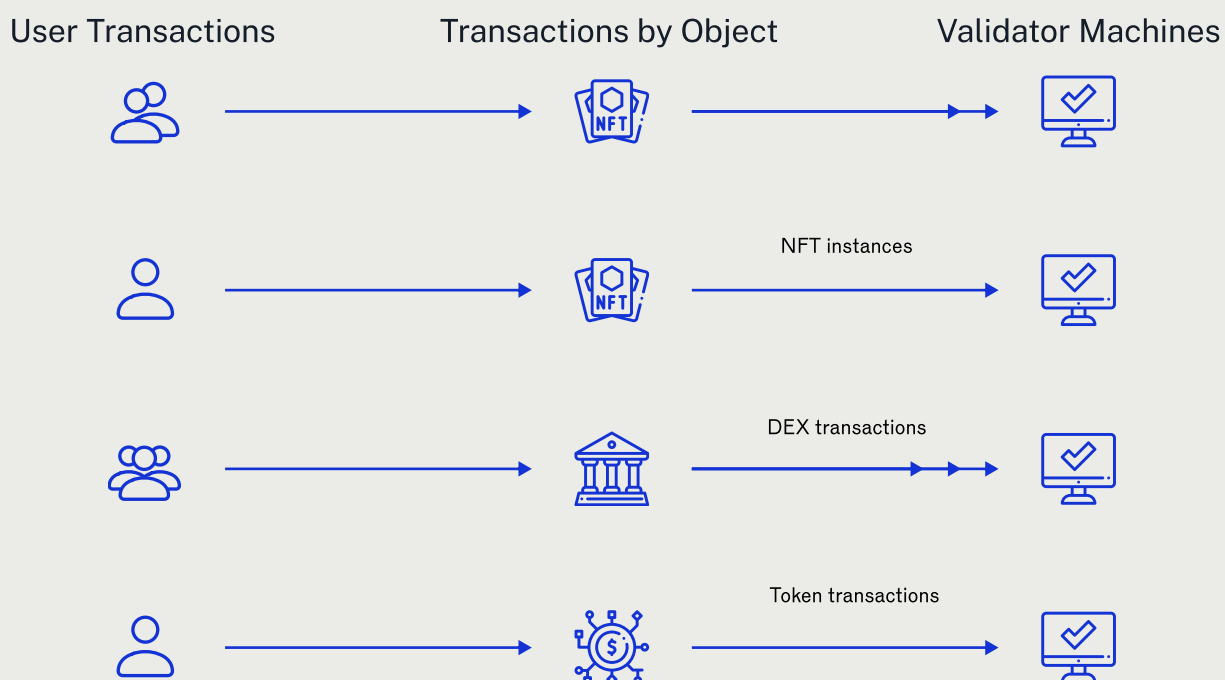
This means the Sui protocol achieves 390ms consensus latency, effectively handling tens of thousands of transactions per second.

At present, the Sui blockchain has 125 validators, having staked \$11.72 billion worth of SUI (prior to October). According to ChainSpect, Sui has a maximum theoretical transactions per second (TPS) of 120,000 tx/s, ranking within the top ten fastest blockchains.

For comparison, Ethereum's L2 networks achieved an all-time high average of 24,192 TPS in early November. Of course, the actual TPS depends heavily on the deployed hardware among validators. Likewise, low real-time TPS doesn't always imply the slowness of the chain, but that it is simply not busy.

This low-latency and parallel-centric approach makes Sui suited to keep bottlenecks to a minimum, while processing vast activity volumes and keeping the fees low.

Transactions are grouped by object and processed in parallel



[Link to image here.](#) Source: Messari

Where Is Sui In Reality?

Presently, Sui ecosystem holds 86 projects, being worked on by around 1,400 developers. These projects range from wallets and DeFi services to stablecoins, payments, automated market makers (AMMs), decentralized exchanges (DEXes) and social networks. Altogether, they form a total value locked (TVL) pool worth over \$1 billion USD.

The blockchain's activity saw continual rise until the early October market crash.

During the year, mid-April, the Sui team crossed an important milestone by launching Nautilus on Sui Testnet. This upgrade enabled dApp developers to run offchain computations securely within Trusted Execution Environments (TEE).

This allows developers to build dApps that can access real-time data off-chain, such as prices or the weather. Likewise, this applies to Web3 gaming with its metadata, alongside KYC/AML verification, so no private data is exposed through these regulatory requirements.

On the institutional adoption front, Sui joined Google's Agentic Payments Protocol (AP2) in September. This puts Sui in the company of PayPal, Salesforce and other big firms, as AP2 makes it possible to deploy AI bots to automate payments and trades.

However, in the current climate, the most important part of crypto adoption relies on stablecoins, as the bridge between volatile assets and real-world payments. In this regard, Sui Foundation launched native USDsui stablecoin on November 12th, accessible on any Sui-built dApp.

Despite the October crash, Sui added over close to \$50 million USD in stablecoins since the launch, indicating solid demand.

Another growth indicator came from Grayscale, as the asset manager launched Grayscale Sui Trust (GSUI) last week. Together with the CUDIS partnership to build a blockchain-based healthcare model in South Korea, Sui's fundamentals appear to be firming.

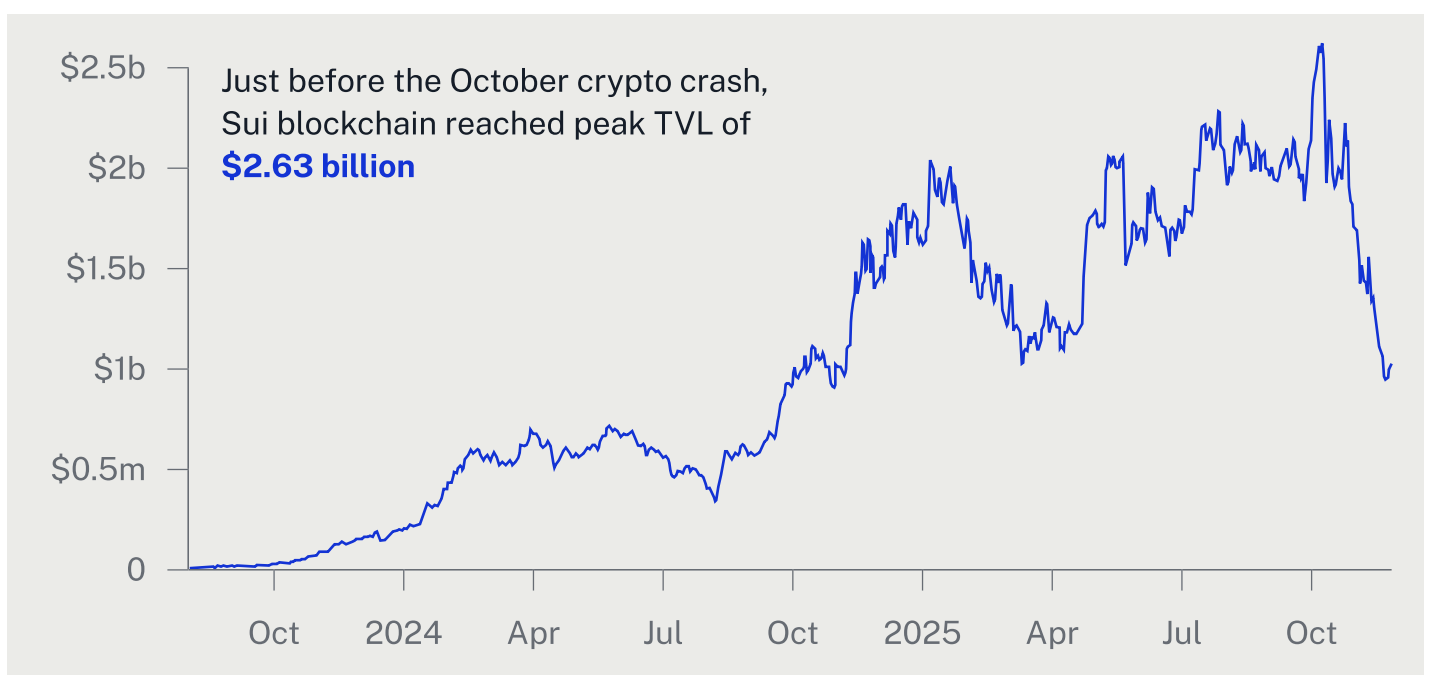


Image credit: DefiLlama

Cautionary Sui Tokenomics

So far, it seems Sui presents an opportunity for exposure to a fast-growing blockchain ecosystem. However, it bears keeping in mind that 50.57% of all SUI tokens (10B) are still locked.

Moreover, insiders hold 15.3% of SUI, a concentration that increases the likelihood of repeated selloff pressure whenever the token rallies. Traders often watch for bearish reversal structures, such as the head and shoulders pattern, during these periods, since heavy insider supply can amplify breakdowns when momentum fades. From its peak of \$5.35 in early January, SUI is now down 56%, currently trading at \$1.53.

Yet, despite the overhang of insider allocations and the possibility of intermittent sell-pressure, Sui's architecture, partnerships and stablecoin expansion makes it a chain worth watching as it embarks on its mission to scale like no blockchain before it.